

Family Business
Slovenia
2022



Building a better
working world



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All the families we interviewed this year are unafraid to move things forward at all levels.



Janez Uranič
Country Managing Partner
EY Slovenia

Foreword

I'm happy to present you the ninth edition of Family Business Slovenia, prepared by EY Slovenia. Despite all the difficult and disturbing news of 2022, we are proud that we have once again filled the book with 10 inspiring entrepreneurial stories. Since the beginning of the Family Business Slovenia series, we have thus highlighted 90 family enterprises that have left their mark on the Slovene economy.

Furthermore, back in the present, the survey by the Statistical Office of the Republic of Slovenia for 2023 shows that a quarter of manufacturing companies are planning to invest more next year. After several months of downward trends, the confidence indicator has increased for retail, construction and services. These results are both encouraging and welcome.

At the global level, some of the challenges remain the same as last year, such as recruitment and retention of the best talents in several industries and sectors. At Vigos, they are aware that people management is a very complex issue, which is why their director has made recruitment and management his top priority since day one. At EKO DIM, they know that their success is built on committed and motivated employees. Their investments in education and career planning within the company help minimize employee turnover. These are only two of many excellent talent management practices we encountered in compiling this year's stories.

An important aspect of family businesses is how they are closely linked to their local communities. At Mizarstvo Jezeršek, they buy most of the wood for their products from Slovene suppliers, prioritizing wood from local farms. They also collaborate with the local wood engineering high school, taking the students as apprentices. Family companies are well aware of their impact on the environment. Piskar, a waste bag manufacturer, produces practically no waste of its own, as everything is recycled. As it is never too early to start learning about waste separation and recycling, they are also happy to open their doors to visits from kindergartens and schools. At EY Slovenia, we are also focusing increasingly on the green economy and are glad to give back to society. As part of the global EY Ripples campaign, the aim of which is to positively impact the lives of one billion people around the world, we have been providing financial literacy workshops to primary schools since June 2021.

Hermi offers proof that even catastrophes can bring about something positive. Church fires caused by lightning strikes inspired its founder to start developing lightning protection. Using lower fasteners and round lightning conductors, Hermi's lightning protection merges more seamlessly and aesthetically with building design. Logistics company Comark offers all-in-one transport solutions which redirect logistics flows from the North European ports to Koper, Trieste and Rijeka. Their mobile packaging and project teams can take on any project within a radius of 1000 kilometers. Their operational model is a great example of logistics optimization which lowers the carbon footprint of their projects; among other achievements, they transported an 86-tonne hydropower plant generator from one side of the world to the other.

Solis Timber also has several clients from the other side of the world, which have been brought to the company by the founder's daughter. Since she brought her business and woodworking knowledge and experience to the company, almost all the company's previous clients from five years ago have been replaced by new, stronger contracts. One of the leading European magnet manufacturers, Magneti Ljubljana, is another company looking towards a bright future. When its director was recognized by the Slovene Chamber of Commerce, his young son told a journalist that he will one day manage the company. Even now, as a teenager, he feels the pull towards Magneti Ljubljana.

All the families we interviewed this year are unafraid to move things forward at all levels. However, the Dvig company has literally moved, transferred, and lifted fresco painting, statues, chapels, submarines and even transported a Christmas tree from Kočevje, Slovenia, to Rome, Italy. The father and son behind Klančar Žerjavi agree that construction cranes are one of the symbols of a developed nation, as they indicate progress. The story of Klančar Žerjavi, like many of our family business stories, also reminds us that success is based on persistence, sacrifice, collaboration and trust, as well as a touch of intuition and a well-matched team of co-workers.

I hope reading these stories and learning about the best practices of Slovene family enterprises both inspires you and gives you confidence for the future of the Slovene economy.

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It takes courage to publicly speak about yourself and your plans, and to share your story with others, so that it may serve as an inspiration and motivation even during these uncertain times.



Mojca Emeršič, CFBA
Family Business Leader
EY Slovenia

Introduction

In recent years, both the business world and our lives in general have been marked by uncertainty. While this year saw the COVID-19 pandemic thankfully recede, it has still been defined by war in our region, an energy crisis, inflation and forecasts of recession.

Daring to be brave and planning for growth, or even a breakthrough in hard times, is what set the best apart. It takes courage to publicly speak about yourself and your plans, and to share your story with others, so that it may serve as an inspiration and motivation even during these uncertain times. Moreover, these are times when family enterprises have again shown their resilience and long-term vision.

Many family enterprises took these circumstances as a catalyst to consider their future and we have received numerous questions related to transfer of assets or companies. Many entrepreneurial families want to keep their companies in the family, but they have many questions about the process.

In such circumstances it is crucial that families take time to talk, to understand each other and to look at things from a new, objective viewpoint. Together, family members should consider what brings them together and how to exploit differences for greater cohesion and strength. It is important to evaluate how seemingly different paths can be combined to weave a harmonious pattern and move the family towards a joint future.

Entrepreneurial families often tell us that they would like to take a step forward, but they are held back by the fear that an open discussion will end in conflict. When planning such discussions, it helps to reconsider the ways we communicate and to remember to take things gradually. Even a small improvement is still a step in the right direction and every successful discussion that includes different opinions can create trust and a better foundation that allows the family and the company to build effectively.

Sometimes entrepreneurs become more ambitious and want to set rules, relationships and agreements 30 or more years into the future. When this happens, we try to remind them that while they can set long-term guidelines, these will have to be flexible in the face of changes, differences and unpredictable situations over time. Many things can be foreseen, and many risks can be addressed. However, experience tells us that the system we set in place should not be too closed and bureaucratic. A system that includes and understands differences and allows exit options will be more sustainable in the long run.

As we know, the success of a company or a family is not guaranteed simply by water-tight documents and rules (though these can be helpful), but is usually the result of good relationships, regular family get-togethers and targeted communication within the family. The family should purposefully strengthen its ability to discuss things openly, to allow all family members to be themselves, and to encourage all family members to put themselves in each other's shoes. In addition to informal get-togethers, the best way to ensure this is to organize occasional workshops for the entire family on topics such as open and effective communication, setting healthy boundaries and psychological safety.

All this is much simpler if the family business has a clear path and if the family clearly defines what guides it, its purpose, its higher goal, or, as we like to call it, its "northern star". A joint purpose that motivates members of different generation can act as a glue and a foundation that allows the entire family to work together. It can be useful to write the purpose down in the form of a clear statement using the following framework: *"The family or company (does what/how) for (specific target group) with the aim of (expected results)."**

COMARK, d. o. o.

Branko Butala, Co-owner and Director

Klemen Butala, Co-owner and Commercial Director

Patricija Butala, Co-owner and Finance at COMARK, d.o.o.,
and Director of related company PAKLOG d.o.o.

Project logistics specialists

It is difficult to imagine what it takes to pack and transport a 5.6 meters long, 5 meters wide, and 4.3 meters high generator weighing 86 tons from one end of the world to another in an efficient, quick and reliable fashion. In this case, the generator was transported on the road to the Donava river port, moved along the river on a barge to a northern sea port, transferred to a container ship headed to the USA, where it was unloaded at the port and transported on the road for the final leg of the journey to its final destination, a hydroelectric power plant. Comark, a Ljubljana-based project logistics company specialized in large, heavy and difficult transports, can easily meet such challenges. The company has celebrated its 30th anniversary in 2022 and they are proud of their ability to ensure high-quality out-of-gauge transportation all over the world. 61% of Comark's revenue is generated by foreign clients on the global market and 39% by domestic customers, with whom they mainly collaborate on industrial production export projects and on imports projects that required the transport of investment equipment. In collaboration with their related company Paklog d.o.o., a seaworthy packaging specialist, they can offer comprehensive solutions for their clients' products. The related companies generate over EUR 20 million in revenue and employ around 80 people. The driving force behind this remarkable story is a strategist and visionary Branko Butala, co-owner and Executive Director of Comark, d.o.o. His vision is also carried out and expanded upon by his son Klemen and daughter Patricija.





“Comark is a logistics engineering company with all the necessary knowledge, references, partners and supplier network to make sure our clients are always satisfied with our logistic solutions. Our personal approach and agility will remain an advantage regardless of the direction of the global transport and logistics.”

Branko Butala,
Co-owner and Director



Comark's related company Paklog d.o.o. in Slovenia and Croatia.

A visionary with an unstoppable thirst for improvement

Branko Butala, born in Novo Mesto and now living in Črnomelj, completed schooling to become a railway worker at 18. He enjoyed the work and, at the age of 21, became in charge of the railway station in Metlika. After he came back from the mandatory military service, he and his wife started creating a family. As Branko continued studying alongside his work, his wife took on the majority of childcare. Branko's interest in package distribution was already apparent at the time, and he even made it the topic of his graduation dissertation. At the time, he worked for the Slovenian Railways as a Commercial Director of the Small Packages Transportation Section. However, his plans for improvement of package distribution were not welcome there, so he quit his job and found work in Intereuropa in Novo Mesto, where he built the logistics department from the ground up. "I wanted something more, so I continued studying and got another degree in organization of special transports. At that time, I also took over the

Special Transports Department at the company Intereuropa Transport," explains Branko. Soon after, he was promoted to a regional manager and in just a year, he built up a new subsidiary Intereuropa Kosovo. Next year, he also became the regional manager for Northern Macedonia. In 2007, after he came back to Slovenia, he said goodbye to Intereuropa and became the Commercial Director of a privately-owned company Ploj in Maribor. "I was interested in logistics engineering and I wanted to go back to special transports, where I saw a great potential and amazing opportunities," says Branko. In the four years Branko was in charge of the commercial department, the company constantly grew and became an industry leader.

While he studied and worked at Intereuropa, Branko met Jože Škrebliin, who became his good friend and business partner. In 1992, Jože Škrebliin founded the company Comark, which focused on special transports for hydroelectric power plants and transformer stations. "Even at that time, I knew that Jože will change our lives. He had so many ideas, he was a true visionary. He became my mentor, I could even call him my second dad,"

remembers Branko. When Jože chose to retire, Branko bought Comark with the help of business partners. Two years later, he left his executive position in Ploj and focused on acceleration of Comark's ambitions.

Strategically related companies offer comprehensive solutions

Comark has developed several services. Since 2009, they offer organization of special road transports, industrial packaging, and oversea transports. They also provide special transport escort with their pilot cars and offer relocation and assembly services.

But Branko's entrepreneurial spirit could not rest. He knew that Comark often needed to rely on other companies for high-quality packaging. In 2012, he and his business partner Bojan Ploj bought a small packing company based in Zagreb, Croatia. They formed business relations with the Italian family-owned company Transpack from Padova and Director Andrea Sancin from Trieste, and sold them a part of the Croatian company. That year, Branko's packaging vision started to come true in Zagreb. Emboldened by the success, the same business partners established the Paklog company in Črnomelj, Slovenia, and Branko's 15-year-old dreams of building his own

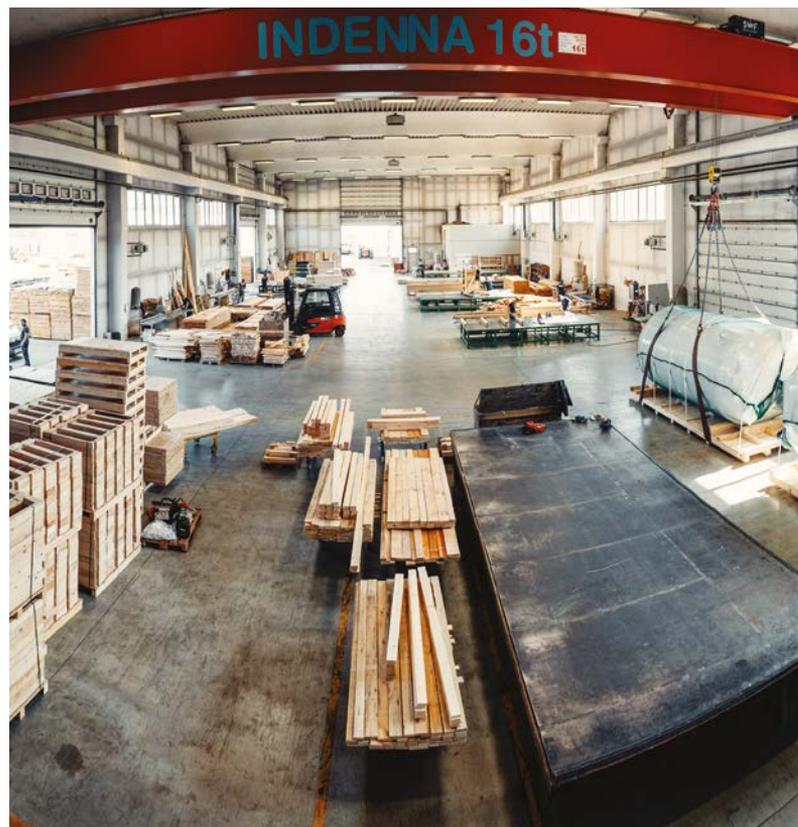
company that would bring success to his home town finally came true. With the help of his business partners and co-workers, he started writing a robust, comprehensive success story in the field of logistics and packaging. "Paklog is focused on quality packaging, and in Comark, we can add this service to our offer as needed. This way, we can offer our clients a complete logistic solution. We still get our trucks and special trailers from the market, but our own packaging is definitely an advantage," explains Branko.

Next generation fits right in

"My wife and I never forced any of our children to work in the company," says Branko, "but they both grew up with Comark and learned about entrepreneurship along the way." Today, both children, daughter Patricija and son Klemen, work for the company. Klemen was the first to join his father in creating his vision at the age of 18 and is now in charge of sales and logistics. "If you know how to learn from others, everything goes smoothly," says Branko, who readily admits that his son is now better than him at the logistic side of things. "We complement each other. Klemen is my co-Director and has the same authority as I do," he adds. In 2022, Klemen's excellent work was also recognized at the Project Logistics Fair 2022 in Antwerp, where he was named among the top 40 leaders in logistics.



On-field packaging - delivery of a new turbine for the The Krško Nuclear Power Plant.



Manufacture of dedicated wood packaging for the overseas packaging of project cargo.

“

It really means a lot that you can always turn to someone, if you run into problems.” Patricija and Klemen hope to be able to learn from Branko and take advantage of his wisdom for a long time to come.



Transportation of the coast guard boat from Croatia to Kenya.



Extraordinary transportation of exceptional dimensions and weight on the way (demonstration of overcoming road infrastructure).

Comark in a nutshell: safe transport of large and heavy cargo.

Klemen takes much responsibility for his work and explains that the key to success is knowing the basics. "If you want to do things better than competition, you need to understand the details. And you can only understand the details if you start with the basics, in our case the road," says Klemen, who is now in charge of the entire team as the Commercial Director. "I have mastered the expertise in project cargo. My leadership abilities are improving every day, but I have less knowledge in the managerial field, where I can still learn a lot from my father," he adds.

Patricija joined the company four years later than Klemen. She started her internship at Comark as soon as she finished high school. At the beginning, she did whatever needed doing, but later she started focusing on accounting and finances. Today, Patricija is also the Director of Paklog in Črnomelj. "It really means a lot that you can always turn to someone, if you run into problems. I hope we will be able to learn from Branko and take advantage of his wisdom for a long time to come," says Patricija.

A different path to a family enterprise

As the Butala family became more and more intertwined with Comark, they came to a decision to gradually buy off the other partners until the company was completely family-owned. Currently, Branko owns 80 percent of the company, and Klemen and Patricija each own 10 percent. Wife and mother Renata is an important part of the Comark story, even though she was never formally part of the company. In the future, Branko wants the ownership shares and the guidelines for the future of Comark and Paklog to be written down in a family constitution.

All family members are deeply invested in the companies, but they also try to separate the work from their personal lives. They try not to talk business at home, but save these discussions for the office, business trips, fairs, etc. "When I'm at home, I think about what needs to be done around the house. The company definitely drives us forward, but so does family. You only get one life, so we all try to find some balance," says Klemen.

Future ambitions

The Butala family and their coworkers have ambitious goals, but they know they can reach them. Last year, they founded a new company in Belgrade, Serbia. They also recently opened new offices in Rieka, Croatia, and they

plan to build and open offices in Koper in 2024. Branko also points out that their complete solutions help redirect transport from North European ports to Koper, Trieste and Rieka. In the future, they want to increase this flow. Their mobile packaging and project teams allow them to take on any project in a 1000 kilometer radius.

And how do they recruit and retain their employees? "Large logistics companies are workforce incubators. It is normal for talents to leave these big systems to work for smaller, more flexible companies. After all, I did the same. But we also raise our own talent," says Branko. "The only way to prevent people from leaving the company is to be a good employer, to offer a good working environment, to give people options for the future and to ensure they want to stay. And if anyone decides to leave, we always make sure not to close any doors. We invest into our people, our knowledge and our long-term story." One thing is certain: Comark will never run out of challenging projects and large cargos that need to be safely packaged and transported to the final destination.

Branko, Patricija and Klemen Butala

Owners

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

Number of employees (2021): **20**

Net sales revenue (2021): **€11.2 million**

DVIG d. o. o., Vrhnika

Franc Jeraj, Founder and co-owner

Mira Jeraj, Co-owner

Janez Jeraj, Director and co-owner

Miha Jeraj, Director and co-owner

Taking on challenges others cannot

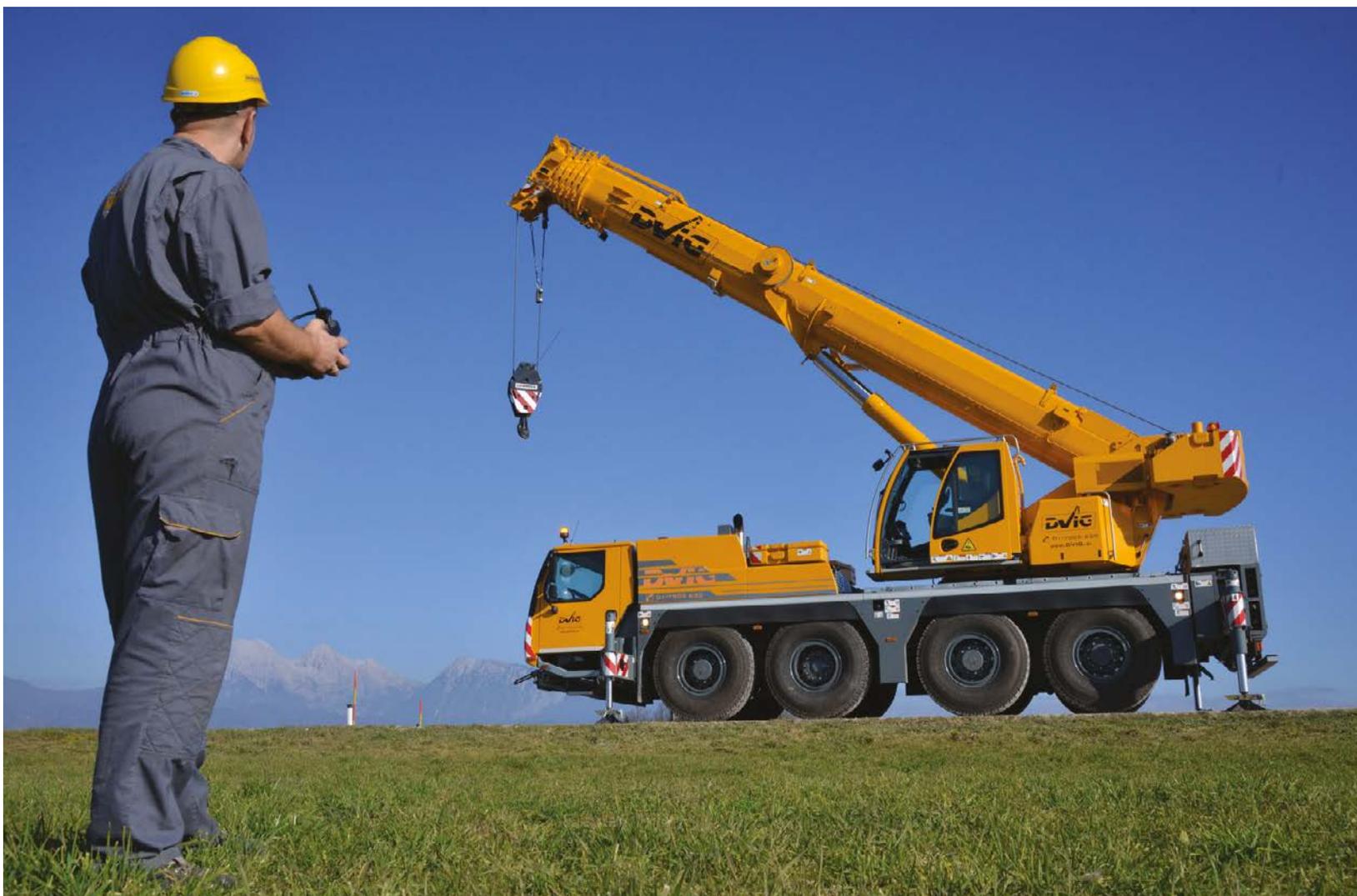
Lifting and moving a helicopter, statues, chapels, and haystacks, or moving a submarine into a military museum are challenges only a few can take on, but in their 40 years of operations, Dvig d.o.o. has done all that and more. Their team of experienced professionals takes care of machine relocations, transport and can lift even the most difficult loads. The beginnings of today's company go back to the 1970s, but Dvig d.o.o. was officially founded by Franc Jeraj in 1980. Today, the company with around 40 employees is based in Sinja Gorica near Vrhnika and is successfully managed by Franc' sons, Janez and Miha Jeraj. The company has the largest fleet of lifts in Slovenia. They are proud that their organization and flexibility allow them to take on challenges others cannot. "We are the first choice for projects that demand individual approach and work plan as well as total reliability," they explain.



"We try to be the best, not the largest. We are not motivated by money, but by excellency in what we do. The more difficult the project, the greater the satisfaction."

Janez Jeraj,
Director and co-owner





The purpose of everything Dvig does is to provide the clients with a feeling of peace and safety.

When misfortune leads to fortune

Franc Jeraj's educational background is in car repair and his first job was as a car body technician. However, he soon suffered a bad work-related injury, as he was badly burned during a welding accident. The road to recovery was long and hard, and led him to consider how to start anew. Even as a 19-year-old, he knew that he wanted to become an entrepreneur. He started by borrowing a small truck from his father and working in transport industry. He transported everything, from livestock and milk to iron and concrete. "At the time, the only thing that mattered was good work ethics. You did not need anything else," recalls Franc. His hard work paid off and his transport business grew. But as he neared 30, the long drives started to take their toll.

"I was afraid of falling asleep at the wheel and causing an accident. I realized things could not go on this way, so I started thinking about other options," explains Franc.

Last-minute name that brought success

The idea of heavy lifts was born at the Zagreb fair. There, Franc met a lift seller Peter Jakovin, who advised him to start a lifting business. At the time, Franc knew nothing about working with lifts. "At first, he did not even understand what Peter wanted to say; that there was heavy demand for this type of work and that the circumstances were favorable for starting a new company," recalls Franc's wife Mira with a smile. Together, they finally

decided to take Peter's advice. "We saw an opportunity for change. We did not really think much about the profit and even today, profit is not what guides us," says Mira.

A new company called Dvig, meaning 'Lift', was thus born in 1980. Franc and Mira first decided on a different name, but when they went to register the company, the name was already taken, so they quickly brainstormed and came up with Dvig, a name which is now well-known in the industry. They were able to get a good loan to buy the first lifts and paid it off in just a few years. "The first summer when we started working with lifts, Franc had not yet had a permit to operate them. He had absolutely no experience, so he asked two machine operators to help. We also had no workshop space; all repairs were done in front of the house. The beginnings were really wild," explains Mira.

The company was successful, and in the 1990s, they already had six lifts and 12 employees. Even though she had her own job, Mira took care of accounting from the very beginning. She also helped some of their friends who were entrepreneurs or had their own companies. "It wasn't about the money. We simply helped each other out when we could," recalls Mira. Franc and Mira always carefully considered all important business decisions together. People always ask them about the secret to their success. "If everything goes as you plan, if the time is right, and if you do your work well, everything will work out," says Mira. Her son Janez adds: "This was

the winning combination. If my parents didn't work together so well, things would not have worked out so well."

Employees are their greatest advantage

Dvig operates mostly in the construction and industry. Their lifts and trucks are mostly used in construction, while their teams and specialized forklifts shine in machine relocation projects. Experiences, state-of-the-art equipment and their knowledge are the advantages that took the Jeraj family to the very top of their sector.

However, Janez points out that challenges are not solved by lifts, but by people. They are always happy to take on even the most difficult projects. Lifting and moving a fresco painting, statues, chapels, and submarines, and the special transport of the Slovenian Christmas tree from Kočevje, Slovenia, to Rome, Italy, are just some of the extreme challenges Dvig successfully completed. They are experts in making 'impossible' projects possible. "Our clients appreciate the completeness of our services; everything is done on time and as agreed. They simply tell us what must be done and when, and we take care of everything. The trick is to take as much burden from the clients as possible. This creates trust and makes it easier to get work," says Franc. Their reputation reaches across borders, and they have several foreign clients. They usually meet them through Slovenian companies they work with, but when they see the level of services Dvig offers, they stay loyal to them.



Dvig d.o.o. was officially founded by Franc Jeraj in 1980. Today, the company is successfully managed by his sons, Janez and Miha Jeraj.



Dvig operates mostly in the construction and industry.

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Dvig does not compromise, regardless of the size of the project. Either they complete the project perfectly, or they do not take it on.



They are experts in making 'impossible' projects possible.



Even though the work at Dvig can be dangerous, they do not lack employees.

Dvig in a nutshell:

trustworthy, experienced, responsible, precise, safe.

Brothers at the helm of a successful company

Mira and Franc are now retired and have entrusted the company to their sons, Miha and Janez. "Of course, my wife and I wanted our sons to stay in the company, but we never forced them into anything. That's not good for anyone, not even the company," says the founder Franc Jeraj. But the sons wanted to continue the family story. They grew up with the company and always helped when they had the chance. "Father and mother were so intertwined with the company, that it simply made sense for us to join it, since we practically grew up with it," says Janez. Currently, all four share ownership of the company. The parents are still the majority owners, but plan to transfer more of the ownership to their sons, who are managing the family company with great success.

The brothers, Miha and Janez, are co-Directors of the company and are both actively involved in its management. Miha takes on more work in the field, while Janez does most of the administrative work. They make a great team, as they both know that their priority is the well-being of the company. "We make all important decisions together. Sometimes, we also consult our parents, who have a complete trust in our decisions," says Janez. While he admits disagreements sometimes crop up, they are always quickly resolved. "It's like in romantic partnerships, where people think that the partners should be similar, but that's not true. It's better if each one of them does their own thing and fills in areas the other lacks," elaborates Janez.

Just as their parents never forced them, Janez and Miha don't want to set any expectations for their children. Miha's daughter is already helping in the company during school holidays, but Janez' children are still too young. "They will become familiar with the work in the company, but they will decide on their own what they want to do in life," says Janez.

Constantly exposed to danger

Even though the work at Dvig can be dangerous, they do not lack employees. One reason is that they are always happy to employ the right people when they find them, even if they may not have a need for new employees at the time. They are more than aware of the value of good workers. Most of their employees come to them through recommendations. "The best employees are those who want to find a new job and come

to us by their own initiative," says Franc. Due to the dangerous nature of their work, they insure all their equipment and their employees. "My greatest fear is our people getting hurt at work. When you are young, you feel unstoppable. Now, I feel afraid. The work can be dangerous; we have burdens weighing thousands of tons lifted in the air every day," adds Franc, who still remembers the youthful desire to walk on the edge.

The goal is to be the best

The purpose of everything Dvig does is to provide the clients with a feeling of peace and safety. Their desire for the future is to remain a trustworthy partner for their most important clients. They are satisfied with the size of the company as it is and do not plan to expand; but they want to remain the best at what they do. "We try to be the best, not the largest. We are not motivated by money, but by excellency in what we do. The more difficult the project, the greater the satisfaction," says Janez. They are also looking forward to moving into new facilities next year, which are more than 20 years overdue.

Marija, Franc, Mihael and Janez Jeraj

Owners

Company name: **DVIG d.o.o., Vrhnika**

Number of employees (2021): **37**

Net sales revenue (2021): **€5.1 million**

EKO DIM d. o. o.

Dušan Krebel, Majority shareholder

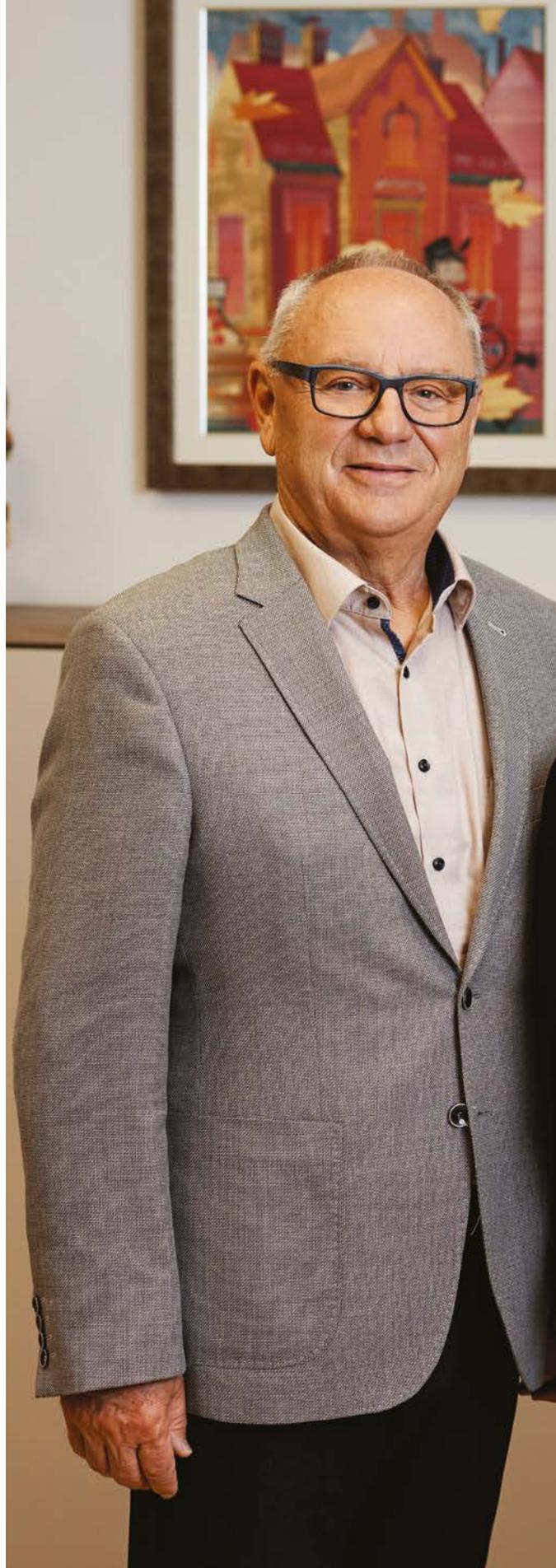
Kaja Krebel, Director

Miha Šiler, Work organization

Renata Krebel, Authorized representative

Seven decades of chimney sweeping and bringing luck

Chimney sweeps have always been known to bring good luck: when you see one passing by, grab a button and spin it three times. EKO DIM has been bringing us luck and keeping our homes safe for 70 years, since 1952. At the beginning, the company was called Dimnikarsko podjetje Prevalje and operated in the Koroška region, but over the years, their scope has expanded significantly. In the 1990s, the company was renamed EKO DIM d.o.o. and successfully underwent the transition to a privately-owned company under the leadership of Dušan Krebel, who is currently its majority shareholder. Today, EKO DIM is based in Ravne na Koroškem and offers services in the Koroška region, in Zgornja Savinja and Spodnja Savinja Valleys and beyond. With 20 employees, EKO DIM is one of the largest chimney sweeping companies in Slovenia. "Chimney sweeps must have a great sense for the people, as they are one of the few who still enter our homes and are almost always warmly welcomed," points out Dušan.





“Our employees are indeed our greatest asset. We are aware that without their contribution, our business would not be as successful. We sincerely respect and trust them, which is one of the reasons our employees usually stay with us until their retirement.”

Dušan Krebel,
Majority shareholder



EKO DIM has always taken good care of its employees, knowing that a good worker is worth everything.

Chimney sweeping protects the environment and ensures efficient use of energy

When Dušan joined the company in 1987, he soon realized that chimney sweeping services have a wider social impact. At the time, the company already focused on measurements of flue gas emissions and protecting the environment. "We realized very early on that our mission as a chimney sweeping company was not only fire safety in the narrower sense of the word, but also active environmental protection and rational use of energy," says Dušan. His stance has been shown to be correct; today, mandatory chimney sweeping services, in addition to cleaning, include regular maintenance of heating and flue devices and annual flue emission measurements. Dušan adds that while the environmental protection situation is improving, incorrect heating and improper use of heating devices still lead to excessive pollution of the air and our environment.

"In Slovenia, we do not have enough inspectors in this field. But with our help, our cleaning services, and our expert advice, the discharge from the chimneys is much cleaner."

In the 1990's, EKO DIM received the ISO 9002 certificate of quality, and they still follow this method, as they recognized its effectiveness for work organization.

A robust family enterprise that encourages active involvement

In the beginning of 1990s, the company became a privately-owned company in a transparent process, during which all employees and former employees were able to purchase shares. "Initially, there were 24 shareholders, but most sold their share as time went on and now there are only six left," explains Dušan.

In late 2017, EKO DIM needed new leadership. The Krebel family decided practically overnight to transform the company into a family enterprise and lead it on as a family.

At the time, Dušan's daughter Kaja, current Director of the company, was finishing her architecture degree. She had not been involved in the company before, but EKO DIM was the subject of discussions at home ever since she was a child. "I am glad that we've managed to impart the entrepreneurial spirit to our children without forcing them into anything," says Dušan.

"In 2017, when the management changed, father as the majority shareholder was faced with a difficult decision. But we discussed it together and we agreed to transform the company into a family enterprise," explains Kaja. Her mother Renata took over financial accounting and Kaja sister's partner Marko, who had many years of experience in the energy sector, became the Director. Kaja's partner Miha also decided to help her with the company. Even though their relationship

was still fresh at the time, he left his job and took the responsibility of work organization at EKO DIM. This decision was the right one. "It was a big change for us all, but we have no regrets. In the years since, we have set the foundations of a robust family business," explains Kaja.

Much work and communication needed to be done outside regular working hours, but the connection between family members and shared family values were a great help. "Chimney sweeping services have changed a lot in recent decades, but we remain true to our core mission, which is to bring happiness and safety both to our customers and to our business," points out Kaja.

Kaja took over as the company's Director in December 2020. "There are always new challenges, but the advantage of a family business is precisely that the work can continue at home. When you run a family business, you simply cannot separate your private life from the company," explains Kaja, who is aware of her great responsibility, but is also happy and very proud to be a part of the family business story.



EKO DIM has been making others happy and keeping our homes safe since 1952.



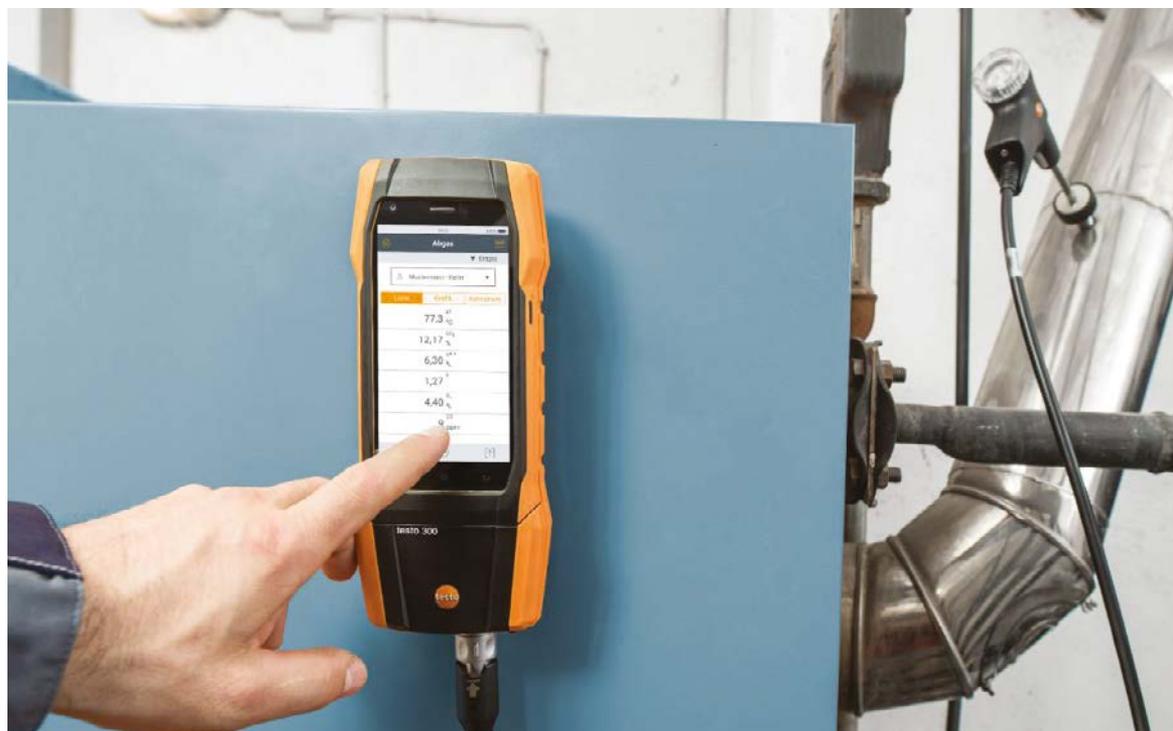
"Chimney sweeps must have an exceptional sense for people, as they are one of the few who now enter our homes and are actually always welcome."



The company strives to provide their employees with the best working conditions and state-of-the-art work equipment to ensure their safety.

“

Chimney sweeps must have a great sense for the people, as they are one of the few who still enter our homes and are almost always warmly welcomed.



EKO DIM received a quality certificate of ISO 9002 in the 1990s.

EKO DIM in a nutshell:

quality, innovation, tradition, safety, trust.

Employees stay until retirement

EKO DIM has always taken good care of its employees, as they are aware that the workers really are their greatest treasure.

The company employs workers who are professionals in the field of the chimney sweeping industry. But the most important characteristic they look for in people, both in administration and in field work, is the ability to act quickly and decisively. "We are not selling products; we're selling a service, so our employees are indeed our greatest asset. We are aware that without their contribution, our business would not be as successful. We sincerely respect and trust them, which is one of the reasons our employees usually stay with us until their retirement," says Dušan.

The company strives to ensure the best working conditions for their employees and provide state-of-the-art work equipment to ensure their safety. They also encourage further education and career planning within the company.

They also organize various social and sports activities to promote employee well-being. "All employees have always been like a big family. We organize the trips within Slovenia and abroad, picnics and other social and sports events with the aim of forming connections and weaving good relationships," explains Renata.

"We have not only managed to keep our team of employees, but also expand it. That means a lot to us, as it confirms we are doing good work and are on the right path," continues Kaja.

Proud of customers' trust

Most of their customers are located in the Koroška and Savinja regions. One of their advantages, as they see it, is that the company has in several business units. In addition to their offices located in Ravne na Koroškem, they also have business units in Slovenj Gradec, Radlje ob Dravi and Žalec. This means that they can offer their clients local service providers.

Their guiding principles remain innovation, adaptability, and professional delivery of services. "Our efforts have certainly paid off and we have been recognized as a good business partner by larger companies that trust us with their larger heating, flue and ventilation systems," says Dušan.

Solid foundations for the future

The work, tasks and equipment of the chimney sweeps are changing just as quickly as everything else in our world. "There are now fewer chimneys, as new buildings are more and more often heated by electricity and other non-combustion energy sources. Nevertheless, the number of classical combustion devices remains high," says Kaja. Recently, they even noticed an increase in the number of heating devices using solid fuels due to the energy crisis.

In line with EKO DIM's tradition of environmental consciousness, part of their long-term vision is reusing the soot, which would reduce the impact of waste on the environment. However, the foundations of their activities remain quality, tradition, and security, which will guide them into the future.

Dušan Krebel

Majority shareholder

Company name: **EKO DIM d.o.o.**

Number of employees (2021): **20**

Net sales revenue (2021): **€790,717**

HERMI, d. o. o.

Herman Rauter, Founder

Miran Rauter, Director and owner

Finding a way to catch the lightning

Herman Rauter, the founder and now retired former Director of Hermi, could never remain indifferent when he saw destroyed or damaged buildings which had been struck by lightning. Almost four decades ago, he entered the commercial world to focus on electrical measurement and restoring lightning protection systems. His small craft business soon developed and over 30 years became an internationally successful manufacturing company, which is today managed by his son Miran Rauter. With four main product ranges - lightning protection, surge protection, cable trays and cable ladders, plus mounting systems for solar power plants - the company created more than EUR 20 million in revenue last year and has over 120 employees in Slovenia and abroad. They have a particular advantage over their competition from ownership of a larger number of patents, a cutting-edge development department, reliable production and exceptional before and after sales support. From the very beginning, the guiding principle of this successful Slovenian company, today located in Celje, has been looking to the future and staying "ahead of its time".

"Despite there being as many storms and lightning strikes as in the past, there is no major damage. This means that our lightning protection systems are of the required quality and are well maintained. Thirty years ago, four to five churches would burn in a year, while almost no churches are affected by lightning these days. This way I know I did something good along the way and made quality products."

Herman Rauter,
Founder





The production team, that arranges the production of more than 7,000 products, all of which have the same main customer - electrical installers.

Many years can pass from an initial idea, through product development to successful commercialization

Hermi's story began in 1985 in Herman Rauter's garage. According to Herman, "the simple desire to create something for my sons" was additional motivation when he started his own business. Being a trained electrician, he looked for success in the field of electrical measurement. He adds that at the beginning he "didn't even dream" that his main activity would be related to lightning protection. However, during that period, lightning struck nearby buildings, most often churches, several times a year, causing fire or other material damage, which made him think. "We started as a small team of two or three and renovated lightning installations. Badly or inadequately protected sacral buildings inspired me to change something in this area," tells Herman.

At the end of the 1980s and in the 1990s, he regularly accompanied his son Miran, who was a member of the Slovenian national alpine skiing team and participated in the Olympic Games in Lillehammer, Norway, to competitions around the world, observing and comparing the performance of various lightning installations. At the same time, he began developing his own system, which was based on using more reliable and cost-effective materials. He designed innovative and durable products, bought his very first machines and tools, and started manufacturing the products. With the

development and use of lower fasteners and round lightning conductors, he managed to merge lightning protection more seamlessly and aesthetically with building design, which gave him the idea for the company's original slogan, "Imperceptible Hermi lightning protection".

As he says though, the biggest challenge was yet to come. "It's nice to develop and produce a product, but the hardest part is selling it. It took three to four years to launch the products which complied with all the regulations and standards," explains Herman. After coordination and tests, which confirmed that the products and the entire system met all professional requirements and standards, he ultimately succeeded. He got his big opening 30 years ago, when he made connections with a renowned manufacturer of roof tiles and first presented his range of lightning protection systems at the International Trade Fair in Celje.

Experience in sport has paved the way for a successful entrepreneurial career

Herman's lightning protection systems were very well received in the market and the company began to grow. "My father was actually ahead of his time, so the challenge was to convince people that his lightning protection system was the right choice. Owners of farms, craftsmen and entrepreneurs were aware of the consequences of lightning strikes, so they increasingly thought about protecting their properties. My father approached them professionally and

at the same time was able to present a compelling offer and close the deal. You value all these efforts and the commitment even more when you observe them your whole life and know that all this came from nothing," says son Miran Rauter, who joined the company before completing his studies in 1997, when he was still actively involved in sport. "Somehow I managed to convince him to join the company, but it was also something he wanted himself," recalls Herman.

"It wasn't always easy, but those were the best and most educational years. I worked in different departments of the business, including production, so it was much easier for me to take over the company later," Miran recalls of his start. Even though he felt at the time that he lacked knowledge, he greatly benefited from his skiing experience: "When I inherited my father's very well prepared foundations and started expanding the business, one of the partners told me that normally people need a lifetime to gain the experience I got from sports." This experience became evident in his perseverance and ability to pick himself up after a setback. He recalls a bitter experience in Romania when a client decided to choose a competitor's products just as they were about to close the deal. "When we questioned the reasons for their decision, we were told that the competition offered a set of products from different complementary segments and thereby a more comprehensive solution, while we only offered them lightning protection components," explains Miran. Over the years, their basic range of production has been complemented by three other programmes: surge protection, cable trays and ladders, and mounting systems for solar power plants. "Today we already have more than 7,000 products across our range. The main buyers for

all these products are electrical installers but our clientele also includes construction workers, roofers, architects and other installers," adds Miran.

If you are "ahead of your time", you must be persistent and patient

Knowing that the small scale of the Slovenian market would require the company to expand beyond national borders, Miran began looking for new business opportunities in foreign markets: "I was looking in different markets for new partners - electrical engineers, architects, construction companies, distributors, designers - and presenting and explaining the unique advantages of our solutions. We were challenged by expansion to the south and into countries of the former Yugoslavia, because at the time our products were ahead of their time in this part of Europe. We were persistent and patient, so we succeeded." First, they expanded and established a subsidiary company in Croatia, then in Bosnia and Herzegovina, Serbia and Romania. However, they were aware that they would also have to expand into more demanding and developed markets westwards and northwards: "We had to adapt, to change our thinking and procedures. Our greatest challenge is moving from a small market to enter those where our main competitors take the largest share." Entering an already developed market poses unique challenges. "We realized that we needed to promote our products in a different way. What was ahead of its time, for the circumstances and standards of the markets close to us is already a necessity in western and northern markets," explains Miran.



Over the years, the basic production program of lightning protection has been complemented by three other programmes: surge protection, cable trays and cable ladders, and mounting systems for solar power plants.



The small craft business further developed and over 30 years became an internationally successful manufacturing company, which is today managed by the son Miran Rauter.

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The number of storms and the accompanying lightning strikes may not have changed, but thanks to Hermi, one key thing has changed – there is less damage.



“Badly or inadequately protected sacral objects inspired me to change something in this area,” tells Herman.



Two generations of Rauters made sure that Hermi leapt to great success, after having started in a garage, making a stop at the neighbour's carpentry workshop, relocating and expanding several times.

Hermi in a nutshell: complete protection against lightning strikes.

Challenges, advantages and ambitions of a family business

Challenges do not arise only from the business environment of a family company, but also from its foundation, which is the family itself. According to Herman, he and his son continued to work together for several years after Miran had officially taken over the business. Miran admits that a family business is very demanding: "I don't know any other way than this, since I embarked on my career path with my father, and now my wife is with me, too." His wife, Alenka, who works in marketing, has been involved in the company for 22 years, joining two years before Miran took over the business. "On the one hand, it's easier having someone with you who understands you and whom you can rely on. But on the other hand, there are, of course, challenges that we successfully face and solve as we go along," says Miran.

The third, still rather young, generation of the Rauter family is not yet involved, but Miran's daughters help in the company and gain work experience during the holidays. He admits that he would like at least one of them to be present, but "we are taking things slowly and not putting too much pressure on the daughters or giving them the feeling that they can't make their own choice."

Multiple patent holders and award recipients

Two generations of Rauters have ensured Hermi's success, after beginning in a garage, making a stop at a neighbor's carpentry workshop, relocating and expanding several times. As Herman further explains, they have also registered 11 patents, 12 designs and 10 brands in Slovenia, the EU and third countries since his son took over. Their work has been recognized by many awards. They received the award of the Chamber of Commerce of Slovenia for outstanding economic and entrepreneurial achievements, were nominated for the Gazelle for the Savinja-Zasavje Region as the fastest-growing company in the region, they competed for the Factory of the Year title, and two years in a row they received a Regional Innovation Award, gold for the connecting element Hermi Fast Joint® and silver for the Hermi Fast Klick® cable trays series. This year, for the 10th consecutive year, they received an extension of their Excellent SME Slovenia certificate of excellence, with the highest rating of 10.

Of course, these successes would not have been possible without an excellent team of employees. Miran says that the Production, Sales, Logistics, Marketing, Design, Accounting, Assembly and Development

departments employ key people for the development and growth of the company but there is no great work without good relationships: "Every morning we make coffee for everyone, there is always fruit, we organize various internal events and meetings, including day trips or team buildings. We also organize a family day and a day for scholarship holders," he points out.

Sustainable investment in a common (local) future

How will the company be "ahead of its time" in the future? The answer lies in sustainability, which, according to Miran, is a broad term. "We strive to work by connecting people. We also connect with the local community." They not only grant scholarships for studies in electrical engineering, mechanical engineering and economics, but also award sports scholarships to support young and promising local athletes from the Savinja and Šalek Valleys.

They also place great emphasis on sustainable practices in production. In addition to avoiding plastic, they separate and collect waste, use more durable and renewable raw materials in the production process and increase their own production of green electricity with investments in renewable energy. "Everything is going towards keeping the carbon footprint as low as possible and at the same time steering our business forward," says Miran.

Miran Rauter

Owner

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

Number of employees (2021): **84**

Net sales revenue (2021): **€12.6 million**

KLANČAR ŽERJAVI d. o. o.

Miro Klančar, Founder

Andrej Klančar, Owner and Director

Klančar cranes appear even in Planica

“Cranes are very interesting. Through them, without a GDP analysis, you can get a sense of a country’s stage of development. They are symbols of progress and without them, there is no construction,” says Andrej Klančar, Director of the family company Klančar Žerjavi. They provide various maintenance services for operation of these large construction machines and they also rent out their own cranes and other construction equipment. It is testament to their success that passers-by can observe these mighty structures on the construction sites of many ambitious and far-reaching construction projects. At the end of 2008, Andrej took over as Director from his father, the retired founder Miro Klančar. The story of this family business, from the town of Križ pri Sežani, is one of perseverance, sacrifice, cooperation and trust, qualities which underpin not only their business success, but also their personal relationships. In 2021, they had 21 employees in their team, the company’s revenues amounted to EUR 4.2 million and the added value per employee that year was EUR 82,000.

“I said to myself I would not be among those 80% of family businesses which, according to statistics, fail within five years when switching to new ownership and the next generation. I promised myself that I would persevere, no matter how hard it got.”

Andrej Klančar,
Owner and Director





It is to their credit that passers-by can observe these mighty structures on the construction sites of many ambitious and far-reaching construction projects.

Before cranes there were... compressors

The business story of Klančar Žerjavi begins in the 1980s. At that time Miro, who was employed in an export-import company experiencing difficulties, decided to embark on an independent entrepreneurial journey, which he began with construction compressors. He says that the situation was not favorable to them, but there were always work opportunities and every year they grew a little: "I tell everyone that in addition to honesty and hard work, you also need to persevere and be able to change direction when you encounter a problem." This is confirmed by his son Andrej: "You need persistence and at least a little entrepreneurial streak. For example, when you know that compressors no longer have a future as your main business, you switch organically, maybe by accident, maybe through inspiration, to cranes, which is what my father did."

Precisely this change in direction, which Miro made intuitively, was a decisive step towards the company's current success. As Director Andrej

points out, even though cranes were not used in private construction works in Slovenia and workers initially doubted their usefulness, the Klančar family paid no attention. According to Miro, construction workers' doubts quickly dissipated: "From no one wanting a crane, to them no longer being able to work without one, took about a month." The Klančar family was one of the first to build their house using a crane, but today their cranes are used in much more demanding projects and terrains. As Andrej says: "We took a crane to the giant ski jumping hill in Planica and we were the first to transport a crane into the mountains, to the Okrešelj plateau, with the help of the Slovenian Army and their helicopter. Our construction credits include the Krško nuclear power plant, the most luxurious hotel in Rovinj and we are currently involved in the largest railway project in Slovenia." The trust and satisfaction of more than 700 loyal customers testify to their success, as does their nomination as one of the finalists of the regional Gazelle of Primorska in 2021.

Team spirit beyond basketball courts

Today, Andrej leads the company so successfully and with such drive that many people might think he had dreamed of occupying this position from an early age. However, it wasn't quite like that. According to Andrej, he never thought he would ever take over management of the company from his father, who never pushed him in this direction. As a side project during his student years, Andrej made sure that the company was among the first with a website and they still actively use digital marketing and social networks. The project led to the discovery that small steps lead to big changes, a realization that helped him "accept the challenge of entering the company and stepping into his father's shoes" in 2008. As a former basketball player, he learned during his active training days that success always requires a well-coordinated team. "When I took over the company, my first vision was to make sure it survived for at least five years. The second was to create a dream team of around 10 people who would not just combine their talents, but would live for this company." He argues that the vision has come true and that through prioritizing their employees, today the company enjoys excellent staff relations.

Their dedication to their employees and the cultivation of good interpersonal relations was also officially recognized, when they were selected as one of the Zlata nit 2021 finalists for best employer. "When hiring, there is



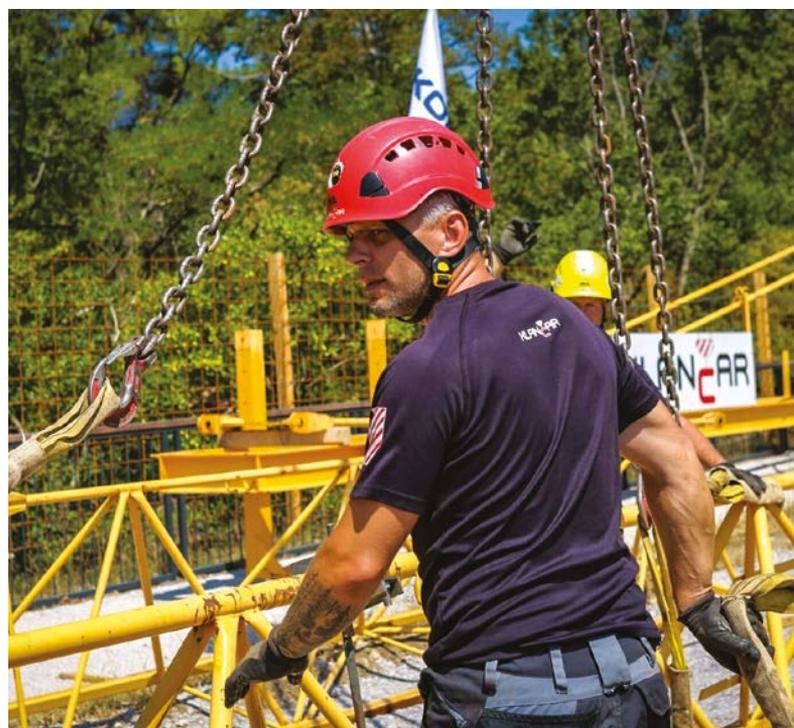
Both the trust and satisfaction of more than 700 loyal customers testify to their successes, as well as their nomination as one of the finalists of the regional Gazelle of Primorska in 2021.

always that lump in the throat; there is always a sense of responsibility in case things do not go as planned. I recruited capable, kind-hearted people for whom, if times became difficult, I was sure I could find a new job within a month," says Andrej, explaining his approach to being a responsible employer.

When the construction industry collapses, cranes excel

Andrej took over management of the family business during a challenging period. The financial crisis of 2008 would have been perceived by many as an obstacle, but he saw it as an opportunity and they also remained largely unaffected by the COVID-19 pandemic. "Although we felt some consequences of the 2008 crisis when the industry collapsed and construction companies were in a lot of trouble, we still got through it as winners. However, the current crisis has not touched us," reflects Andrej with reference to the pandemic.

"A crisis always brings big changes. Then you have the choice to either react, or to wait and hope something happens. But nothing happens on its own," he continues. Andrej believes that new crises always present new challenges that require fresh and different approaches to resolving them.



The Klančar family was one of the first to build their house by using a crane, but today their cranes are used on much more demanding projects and terrains.

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Swimming against the current can pay off in business, especially when you swim with people you trust in your personal life.



“Cranes are very interesting. Through them, without a GDP analysis, you can get a sense of which stage of development the country is in. They are symbols of development, without them there is no construction,” says Andrej Klančar, Director.



The company's dedication to its employees and to cultivating and nurturing good interpersonal relations was also recognized from the outside, as they were one of the finalists in the selection of the best employer Zlata nit 2021.

Klančar Žerjavi in a nutshell: persistence, care for employees, opportunities, looking ahead, teamwork.

When you have entrepreneurship in your blood

The rhythm of life, which is also shaped to some extent by the reality of everyday business life, occasionally involves the third generation of the family. As Andrej says, his wife's son, 18-year-old Žan, is an "artistic soul whose main passion is the guitar," but he occasionally earns money by helping out in the company. Their younger daughter, 11-year-old Kiara, according to her father, "has the same talent as me and my father. We like to help people, we're salesmen. By her own initiative, she sold lemonade on the street with her friend, and they also sold jewelry that they made themselves." He thinks that people are born with a talent for business. "My mother told me that when I was three years old and we had visitors, I was tugging at people's sleeves and asking them to buy some stickers that I was collecting at the time," says Andrej, fondly remembering his first entrepreneurial instincts.

Reaching for success does not come without sacrifices and the support of loved ones, who are united by the vision of a brighter and better future. "The family suffered a bit, at least in the beginning. I spent whole days in the field, and my wife supported me. Such work does not end after eight hours. Instead, it becomes a way of life," says Miro, recalling the sacrifices at the time the company was founded. His son also confirms that this really is a way of life: "Leaving work at work? No, you carry your work with you. Business is constantly present somewhere at the back of your mind. It's never too bad, but I find it almost impossible not to think about it."

Such dedication also generates strong attachment. In some companies, older generations are therefore not eager to give the reins to younger generations, but Miro did not want to take this approach: "I always said I would never be like that. I said that I would leave the company in the hands of my son before it got too late and would tell him to just dive in."

Beyond borders - but not without a strong team

They have become successful beyond Slovenia's borders, especially in Croatia and Italy. They are already present in Trieste with construction scaffolding and vertical mast lifts, but they do not have their cranes there yet. But as Andrej says: "Eventually there is a desire to conquer

Trieste, then Monfalcone and then go all the way to Venice, which is no further from the border than Zagreb, where we are already working successfully." In Croatia, their quality is recognized even when it comes to more demanding projects, the most recent being the Urinj refinery.

With all the success and recognition, the question arises, how and where to go next? As a great supporter of family businesses, Andrej points out that their advantage is stability and long-term direction, which is what distinguishes them from other, non-family businesses. The long-term view of the future is reflected in their plans, which are based on solid foundations. He says that in addition to the expansion and conquest of foreign markets, their vision for the future involves strong growth, strengthening fixed assets and most importantly, strengthening the team: "Getting the best orchestra to play this symphony in tune - this is our challenge for the next 20 years."

Andrej Klančar

Owner

Company name: **KLANČAR ŽERJAVI d.o.o.**

Number of employees (2021): **21**

Net sales revenue (2021): **€4.2 million**

MAGNETI LJUBLJANA, d.d., Ljubljana

Albert Erman, Majority owner and Director

Simona Erman, Deputy Director as well as Accounting, Finance and HR Director

Magneti Ljubljana hold firm even during difficult times

Magneti Ljubljana have been making permanent metallic magnets, bonded magnets and magnetic systems since 1951. In these seven decades, the company survived many turbulent situations. Today, they are an important player in their industry and are looking forward to a bright future. Based in Ljubljana, Slovenia, Magneti Ljubljana is already a European manufacturer of magnets, with practically all their clients based in other European countries, but the goal is to become a global company. The company became a family enterprise under the current Director Albert Erman. His wife Simona is part of Magneti Ljubljana and several of his children were, are, and may still be connected with the company in one way or another.

“Our main advantages are our knowledge and technological know-how.”

Albert Erman,
Majority owner
and Director





Magneti Ljubljana has already become a European manufacturer of magnets, but the goal is to become a global company.

Active search for business partners brings success

Magneti Ljubljana was established in 1951 and joined then state-owned ISKRA Group 11 years later. The story of Magneti Ljubljana became intertwined with the Erman family in 1986, when Albert Erman, university graduated metallurgical engineer, current majority owner and Director, took over the management of the company that was facing a difficult time as the demand for their products fell. He says that the first thing he did after joining the company was to establish a separate financial department and a commercial department; before, these activities were managed by ISKRA group. Even though he was the Director, his job looked like a salesman's job: he travelled around Europe searching for new clients. At the time, the company mostly made magnets for the Yugoslavian army, but Albert saw the opportunity brought by new technology: "I saw that there was a demand for the ABS system, which is made from magnets and was first used in cars in the 1980s," he recalls. Another important factor was the relationship he built with the first buyer of their new products, where Albert's personal approach brought results: "He played golf and I didn't. Despite this, I organized to meet him for golf in Bled and we soon found common ground." After the contract was signed, Albert had the client's financial backing and quickly started procuring the equipment needed for the new magnets. "In just two years, we went from zero to making almost 40 million pieces."

Risk brings rewards

Emboldened by this and other successes, the company decided to forge its own path and left ISKRA Group in 1989. In 1992, after Slovene independence, it also underwent privatization. On the advice of a colleague from Bosch, who believed in long-term future of magnets, Albert took a personal loan to buy company shares. He also encouraged other employees to buy the shares; there was even a supplement to the salary for this purpose. However, most of the other shareholders soon decided to sell their shares and today, the Erman family owns more than 80 % of the company. The rest of the shares are still owned by current and retired employees. "I always wanted the employees to be included into the ownership of the company," explains Albert.

A wealth of experience and youthful enthusiasm

Simona Erman, who has a Master's degree in economics, has been Albert's life partner for 21 years and ten years ago, at Albert's encouragement, she also joined him in writing the story of Magneti Ljubljana. "It was not an easy decision to make, but from the very day I started working at Magneti Ljubljana, I felt great here and was included into the team," recalls Simona. She is the Director of accounting, finances and HR. Albert adds: "She is also my deputy and I can always rely on her."

Alert's sons, Tilen, who has a Master's degree in economics, and Žiga, a metallurgy and materials engineer with university degree, both had a Magneti Ljubljana scholarship and started their careers at the company. Later on, they wanted to acquire new skills and experiences and have found new challenges outside of the company. Grega, the oldest son, has a university degree in business and has been the president of the Magneti Ljubljana Supervisory Board since 1998, while daughter Mojca, a Master of Law and freelance lawyer, consults for Magneti Ljubljana on a contractual basis. Albert adds: "I see it as a great success that my children gained a lot of knowledge and experiences at the company, which allowed them to take on responsible positions at other companies."

Erazem, Albert and Simona's 15-year-old son, is also drawn to the company. "When Albert received the award by the Slovenian Chamber of Commerce in 2017, Erazem as a 9-year-old boy boldly told the journalist that he would once lead Magneti Ljubljana. He still follows this dream; he is now finishing primary school and is deciding on his secondary education based on what would be good for the company," explains Simona.

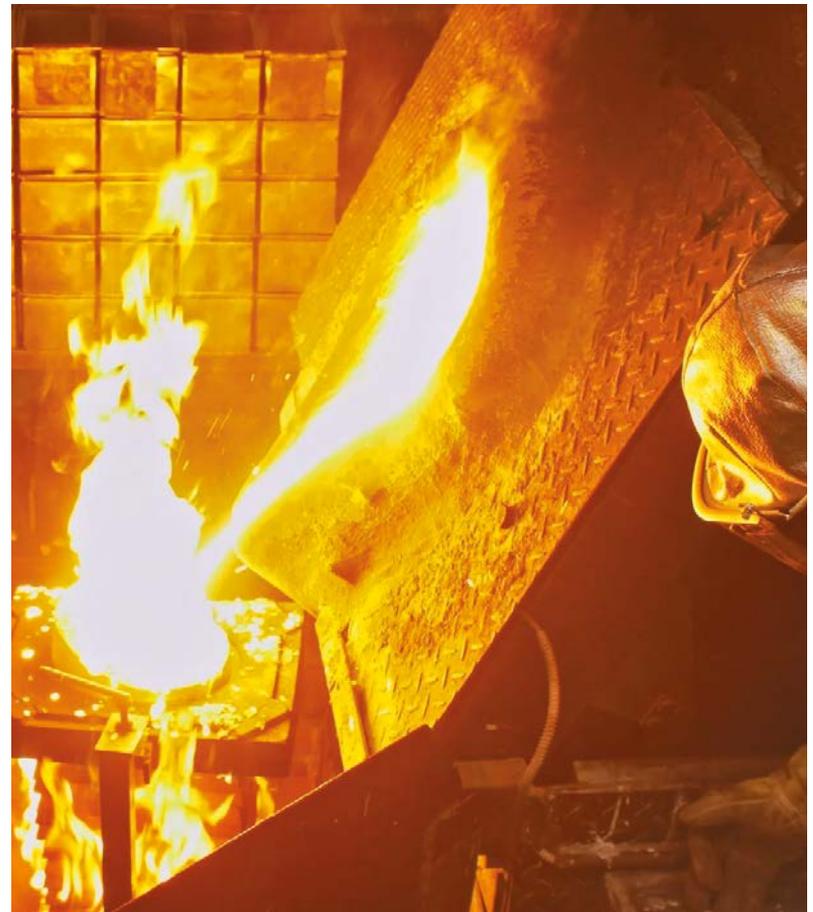


Production of sinter magnets.

Even though he could have retired quite some time ago, Albert still enjoys his work. But after the heart attack around 25 years ago, which had been brought on by his hectic lifestyle, he also realized the importance of family and free time. He and Simona enjoy being active; they ride motorcycles, they like bicycle trips, and Albert is a pilot. However, Simona admits that the thoughts of the company always remain somewhere in the background. She often start talking about Magneti Ljubljana in the evening while they play cards, but Albert is quick to stop her and remind her that this is their time to switch off. "But if there are problems, we of course talk them through. You can't switch everything off," adds Albert.

One of the leading magnet manufacturers in Europe

Magneti Ljubljana is one of the few surviving companies in Europe that manufacture magnets for different industries, from automotive industry to railways and electro industry. In the time since Albert joined the company, Chinese competition caused the downfall of many European manufacturers.



Foundry insight.



Magneti Ljubljana have been making permanent metallic magnets, bonded magnets and magnetic systems since 1951.

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As a young man, Albert Erman realized the importance of keeping ones word and transferred this value to his work in Magneti Ljubljana.



Award for Outstanding Economic and Entrepreneurial Achievements 2016.

Magneti Ljubljana in a nutshell:

tradition, experiences, know-how, development, inclusion of employees.

For example, Magneti Ljubljana is the only company in Europe still producing AlNiCo magnets. "Our advantages are our knowledge and technological know-how. Another point in our favor is that we are located in Europe and closer to the clients. Lately, we have also been trying to recycle as many raw materials as possible to decrease our dependence on China," explains Albert. Their magnets are not mass-produced; they design a new product to the clients' specifications for practically every project, which requires a lot of knowledge and experience.

Albert admits that he leans towards more conservative management of the company, but in an industry where it takes at least a year from signing the contract to actually producing the magnets, this often pays off. "When new types of magnets were developed, everybody immediately started closing down programs for old, AlNiCo magnets. They advised me to do the same, but now this is our fastest growing program," he explains.

Quality, development, sustainability

The company is proud of the quality of its products, which they confirm with various certificates. "Without certificates, there is no way to become a supplier for the automotive industry," says Albert. "Every year, we also achieve an excellent credit rating. And we are very proud that Albert was recognized as a businessman of the year and entrepreneur of the year," adds Simona. An important part of quality assurance are measurements and quality checks of the raw materials. "Just the lab equipment we use for the measurements is worth several million euros. Other companies don't have such equipment, so they often ask us for help," explains Alberts.

Magneti Ljubljana actively participates in research and collaborates with several institutions within EU as a research and development partner. "Currently, we are part of around 10 development projects at the European level, most of which are focused on recycling and developing material," says Simona. One of their projects was also construction of their own solar power plant, which is a step towards a more sustainable future. Their care for the environment was recognized also by the EcoVadis silver medal 2020 and by the SPIRIT Slovenia Business Development Agency, who selected them to be ambassadors of Slovenian economy as part of the campaign I feel Slovenia. Green. Creative. Smart.

Employees are key to success

All these successes would not be possible without their 220 employees. Albert and Simona are proud of the relationships, support and team spirit in the company. "We are a successful international company, and we are happy that we can guarantee our people stable employment. We have a very relaxed atmosphere and encourage education, career development and good work-life balance," points out Simona.

Now that the company is firmly on the path to success, there have been several potential strategic partners who are looking for partnership or even to buy the company, but Albert won't have any of that. "The company will stay in the hands of the Erman family," is determined Albert. "As the first step, I want to hand over the reigns to Simona, who is already very familiar with the workings of the company." Simona adds: "After all, we want to keep it a family company and continue with the family tradition. I want the Erman family to continue writing this story and to keep Magneti Ljubljana a successful and well-known company."

Albert Erman

Majority owner

Company name: **MAGNETI LJUBLJANA,
d.d., Ljubljana**

Number of employees (2021): **244**

Net sales revenue (2021): **€18.5 million**

MIZARSTVO JEZERŠEK, d. o. o.

Jernej Jezeršek, Director and co-owner

Boštjan Jezeršek, Co-owner

Janez Jezeršek, Co-owner

Marjeta Jezeršek, Marketing and communications

Silvana Jezeršek, Administration

Jernej Jezeršek, Jr., Production, Account manager

Each brother has an equal say in the future of Mizarstvo Jezeršek

Jernej, Boštjan and Janez are three brothers who took over the successful family business of Mizarstvo Jezeršek from their late father Karel. The company based in Hotavlje specializes in producing stairs and can proudly claim that they have left a mark in more than 40 countries around the world with their products. Despite their success reaching far beyond their home, they are still aware of the significance of their local environment and the continued importance of manual work. From the very beginning, the story of this family business has been shaped by other influential figures, from their mother Ana and wives Silvana and Marjeta to the now already partially active third generation.

“The old workshop was opened here a month before my birth. We lived above it and I used to walk around it all the time. It was significantly smaller back then and the machines were not as modern. I find it interesting how much it has all changed in these 26 years: new workshop, new machines, much more space. Significant progress has been made since the beginning and I hope that development will continue in the future.”

Jernej Jezeršek, Jr.,
Production, Account
manager





At Zejerssek, there are currently 11 apprentices being trained from a local secondary school for wood engineering. The company prefers to employ locals and it currently has 26 employees.

The first stairs, for an artist, made in the garage

According to Boštjan, the company's story began with the after-work side business of his father Karel, who started making stairs in his garage. His father's first challenge was to create stairs for academic painter France Slana. "It took him a long time to design them and great perseverance to make them. Stairs have always been considered very challenging in terms of carpentry." After a while, the side business outgrew its boundaries. When Karel realized that his sons would join him, they moved the business into a real workshop. "Our father never needed to push us to get involved in the company, as we had liked helping in the workshop since we were little boys," Boštjan remembers. So, three of the brothers focused on carpentry, while the fourth took over the family farm.

They attribute their success to distribution of duties and mutual trust

After all, it is extraordinary for three brothers to be involved in a company. This is how Jernej, the Director, describes their organization: "We all 'grew up' in the workshop, so we all know how to do everything. However, we have divided areas of responsibility between ourselves, depending on what each of us does best. As the volume of work increases, we redistribute certain tasks from time to time." The oldest brother, Boštjan, is the most experienced in drawing, technical preparation of work for production and is involved in larger and more demanding assemblies. He has been with the company the longest, from the time when no technology was used at work. The middle brother, Janez, who now organizes the work and is responsible for the Austrian market, also accompanied his father on business outside

their workshop: “Even when I was young, I liked to go to trade fairs with my father,” he remembers. The youngest brother, Jernej, joined the company when they already used machinery and technology in their work. In his words, he “somehow automatically” focused on that. He became Director a month before his father’s unexpected death. At that time, the sons and their father had agreed on ownership and positions in the company together. “We have stuck to this agreement ever since and we have never had any problems,” Jernej explains. He also points out the special rule which he follows at work: “I have one third of the vote for investments and major decisions. If Boštjan and Janez have a different opinion, they can outvote me.”

During the period of their joint takeover of the company, they were still young and needed to adapt quickly: “We knew that we couldn’t show that we didn’t know or weren’t capable of something, not even for a moment. We were so well organized that neither customers, suppliers nor the workers themselves noticed any kind of change,” Jernej recalls. At the same time, they attribute their success in this respect to the distribution of duties and the mutual trust between them: “For us, each set of stairs is unique, regardless of the size of the project. That is, the values of our projects range from one thousand to a few hundred thousand euros. Therefore, we discuss each project, set the priorities, and then I know that the project will be implemented. I also know that we have good assembly teams and that

everyone will strive to do a quality job. On the other hand, my brothers don’t need to worry about finances, sales and other things that are my responsibility. We trust each other and we know that everyone will take care of their area,” Jernej explains.

Business is also discussed at home

Jezeršek Carpentry is a close-knit family business and from the very beginning, Karel had the support of his wife Ana. “She was involved in all the decisions. She also prepared meals for the employees and played a big role in making everything work,” Jernej recalls. His wife Marjeta describes her as a person who “kept together not only the company, but also her family and the families of her sons.”

The sons’ wives are very much embedded in the internal mechanism of the company. Marjeta, who has become more closely involved in the last five years, describes her work as taking care of foreign markets, communications and marketing. Becoming a part of the family business was a change for her as there is quite a difference between working in a family company and having a job elsewhere. The gap between work and privacy is more blurred now: “We discuss business more often at home. Work doesn’t end when we get out of here, we are involved in it all the time.”



Jernej, Boštjan and Janez are three brothers, who took over the successful family business Mizarstvo Jezeršek from their late father Karel.



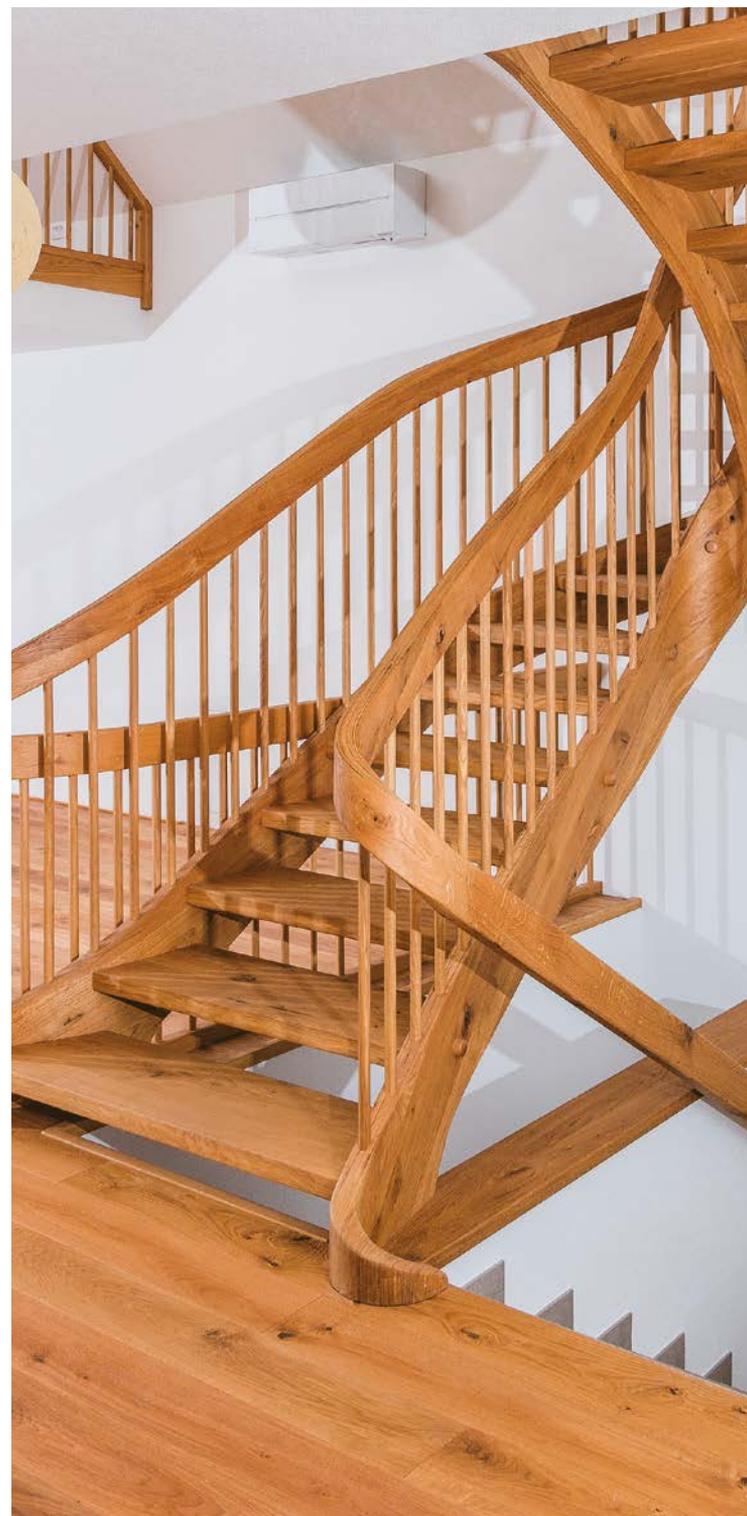
For Jezeršek family, each set of stairs is unique, regardless of the size of the project.

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Mutual trust is only possible with transparency – even if everyone is an expert in their own field, nobody is left in the dark about what is happening elsewhere.



Involvement in the company is extending to the third generation.



Mizarstvo Jezeršek is very embedded into the local environment, but their products reach across borders. They are already present in more than 40 countries.

Mizarstvo Jezeršek in a nutshell:

mutual trust, cooperation, local, connectedness, spontaneity.

Silvana, Boštjan's wife, also says that they sometimes talk about work at home, but "there have never been any major conflicts or complications," she adds. "They do arise, of course, but we solve them in the right way." She has been involved in the company since 1996, when she was offered a position by Karel after her maternity leave: "I did everything that needed to be done, took whatever was needed to the assembly sites or went to pick things up. I take care of administrative work now, but I still drive things around and go to pick them up occasionally. So, I still do everything that needs to be done!"

Involvement in the company is now extending to the third generation. While Jernej's children are too small for that, Janez's school-aged children help during the holidays. Silvana and Boštjan's son, Jernej, got involved very early through holiday work: "I kind of knew from a young age that I would choose this area. I went to the secondary school for wood engineering in Škofja Loka and then to a higher vocational college. Wood engineering was the only school that I was interested in," he explains. Now that he is employed in the company, he is involved in the workshop and has taken over as the account manager for one of their German clients. "We will see what happens next. But if everything goes well, I see myself here in the future as well," says Jernej, the youngest in the family who is already involved in the company on a permanent basis.

A local team and buyers from 40 countries

Apart from Jernej, a lot of other employers learnt their trade at the Secondary School of Wood Engineering in Škofja Loka. They have established a good relationship with the school and there are currently 11 pupils, or apprentices, from different years of secondary school training with them. The company prefers to employ local people and it currently has 26. The company's focus on the local environment is also quite evident in its acquisition of wood, which they buy from Slovenian traders, while some of it comes from Croatia and Bosnia and Herzegovina. "We buy everything the surrounding farms have at their disposal. In general, many of our suppliers are local, which has always proved to be a good strategy."

Despite them being locally orientated, they sell their products beyond the national borders. Additionally, although the company specializes in producing stairs, they do not limit themselves to that and "are capable of doing everything", Jernej says. They are already present in more than 40 countries, engaged in standalone projects as well as more extended work for permanent customers: "We have ongoing projects in France, Germany, England and Austria, where we have our own company through which we manage the Austrian market, as well as in Croatia and former Yugoslav countries. We

have individual, private customers, and the rest are prefabricated house manufacturers or stair dealers and hotels," Jernej explains.

The more challenging the project, the more interesting it is

"We certainly have a vision of where we want to position ourselves in domestic and foreign markets, yet we do not make very detailed long-term plans, as we know how the times are changing, so we give priority to our flexibility and ability to react quickly and effectively to changes," says Jernej in response to a question on plans for the future. At the same time, he adds, they never run out of work and the business is constantly growing. "When we started planning to build our current workshop, we also began working on increasing our sales. We decided to participate in the Munich BAU fair, one of the world's largest fairs for architecture, construction and building materials, and certainly the most important construction fair in this part of Europe." This proved to be the right decision. "We gained several large customers, with whom we cooperate very well today," he remembers. As Janez claims: "We have never had to say that we were not capable of completing a project, which is the reason we get very demanding projects from around the world. This is our specialty - the more difficult the project, the more interesting we find it."

Jernej, Janez and Boštjan Jezeršek

Owners

Company name:	MIZARSTVO JEZERŠEK, d.o.o.
Number of employees (2021):	21
Net sales revenue (2021):	€2.4 million

PISKAR d. o. o.

Anton Piskar, Owner, Director and co-founder

Romana Piskar, Executive Director and co-founder

Uroš Piskar, IT and Sales

Matej Piskar, Accounting and Finance

Piskar: part of almost every Slovenian household

Nowadays, we cannot imagine working in the kitchen without bin liners, freezer bags, aluminum foil, baking paper and similar accessories. Tone (Anton) and Romana Piskar, the married couple who started the company 35 years ago, never dreamed that their products would become so recognizable and indispensable in every home. The Piskar company produces polyethylene films and bags, mainly for household waste. They are especially recognized for scented waste bags, zip-lock bags, wet umbrella bags, doggie bags and baby diaper bags. They were the first in Slovenia to start producing completely biodegradable bags for biological waste, which are suitable for composting. Today, their brand includes more than a thousand products and a fifth of their production is exported to 10 countries, including North America. They are authorized representatives of Toppits, Melitta and Cilia household products and carry Swirl vacuum cleaner bags and fragrances. All this would not have been possible if they had not constantly strived to develop new products, designed according to customer requirements. With headquarters in the town of Sneberje near Ljubljana, Piskar closed the 2021 financial year with around EUR 4 million in revenue and over EUR 200 thousand in profit. In addition to Tone and Romana, their sons Uroš and Matej and the extended Piskar family are actively involved in the company.





"We are constantly striving not only to lead and be original, but also to follow world trends and innovations in the field of bag production."

Romana Piskar,
Executive Director and
co-founder



Piskar celebrates its 36th year of existence in 2022. One word, which describes them the most: innovation.

A bold decision and brave beginning

Even at a young age, Tone felt that working in the civil service did not bring him satisfaction, although, as he says, he had a good job. With his inner voice urging him on, he decided to venture out independently into entrepreneurship. Aged only 22, Tone and his wife Romana, who was still a student at the time, saw an advertisement for a bag-making machine which they bought, accompanied by Tone's father, even though they didn't know much about bags. This began their company's story in 1986. They started in a small basement space across the road from the Ljubljana Exhibition and Convention Center and bravely tackled bag-making.

"If someone had told me back then that my husband and I would have this company for 35 years, I wouldn't have believed them," says Romana, Executive Director. The beginning was difficult, as they were completely clueless about entrepreneurship. "We learned everything we needed on the fly. We asked people for advice and grew spontaneously with their help," explains Romana. Their perseverance and diligence soon bore fruit.

"The first year we were the only employees in the company, and after that we employed one more person per year, on average," says Tone. The company had the advantage of owning the only high-quality bag-making

machine in Yugoslavia, which provided additional motivation and helped them persevere. Initially, their product range was limited to food freezer bags, but they soon realized that production would have to be increased.

In addition to the Piskar family, several families work in the company

Their sons Uroš and Matej, who were involved in the business from an early age, also grew with the company. "I remember we talked a lot about business at home. When you're part of a family company, you realize that it's always with you," says Matej, who is now in charge of company finances. Uroš remembers his first experiences with the family business very well: "When I was a child, I found it interesting when my uncle and I transported goods from store to store." He says that he still benefits from those experiences today, when he is responsible for IT and Sales. If necessary, he also helps in production. "I used to be afraid that my brother and I would fight over the company," confides Uroš, adding that this fear has completely faded, as they now complement each other very well. "It is interesting that I graduated from the Faculty of Economics, but I prefer to work with machines, while my brother, who graduated from the Faculty of Mechanical Engineering, prefers to work in finance," he adds with a laugh.

Members of the extended Piskar family are also involved in the story of the family business, including Tone's brother and his daughter, as well as his younger son, who occasionally helps. Matej's fiancée is also involved in the company business and is expected to take over management of the warehouse in the future. The Piskars are not the only family employed and there are several other members of the same families who work together. The Piskars want to maintain a sense of familiarity, so everyone uses first names only and they try to separate their private and work lives. "When we're at home, we don't talk much about business now, because it already takes up so much of our time," says Romana.

Their specialty? Quality products!

The Piskar company can boast quite a few innovative products that they developed themselves and they are most recognized for household and waste bags. "We are constantly striving not only to lead and be innovative, but also to follow world trends and developments in the field of bag-making," says Romana. Bags with ribbons, scented bags and wet umbrella bags are just some of the innovative products they have offered to customers in recent years.

They were the first in Slovenia to respond to market demands and begin producing biodegradable bags. However, Tone believes that these are

not necessarily quite as kind to the environment as we might imagine. He compares them to electric cars: "If we think about how many raw materials are used for production, how much waste is created during production and after the end of use, when we have to recycle the car, we realize that the product may not be so ecological."

By using state-of-the-art technologies, they produce first-class quality products which they supply to all major Slovenian traders, public companies, industrial clients and individual customers. Tone points out that they always put quality and honest relationships above everything else. "Some people wanted us to make products of inferior quality, just to be cheaper. We do not do that, because quality is our number one priority," explains Tone, adding: "Maybe this generates less profit, but we're honest with our customers."

Caring for the environment is a top priority

From the very beginning, the Piskar company has paid a lot of attention to caring for the environment. "We were the first to start making bags in different colors to make it easier to separate paper, packaging and more," says Romana. As much as 90% of their waste bags are made from recycled plastic. The company does not produce its own waste, because they recycle everything. For many years, it has been opening its doors to kindergartens and schools who are interested in the process of making bags.



Romana Piskar, Executive Director and co-founder of Piskar.



Piskar is known for scented garbage bags, sliding zipper bags, wet umbrella bags and bags for baby nappies.

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The Piskar company wants to make the children who visit them, their employees and all their customers aware of the importance of waste separation.



Piskar's biodegradable bags.



At the PLMA Fair in Amsterdam in 2019. This was their 13th time participating.

Piskar in a nutshell:

quality, innovation, perseverance, passion, hard work.

“We want to raise awareness among the children who visit us, among our employees and all our buyers about the importance of waste separation,” says Romana, adding that children should be taught how to recycle in practice as early as in kindergartens and schools. The Piskars have also participated for several years in the campaign “Let’s Clean Up Slovenia”, by donating their bags.

Proud of their employees, who helped them get through the COVID-19 crisis

The changes brought about by the measures implemented due to COVID-19 initially caused fear among the employees, as it was a completely new situation for everyone. “At the beginning, we noticed that some employees were very afraid, so we met several times somewhere outside for coffee or tea, talked through it and solved problems together,” reflects Romana on this challenging period.

They are a small business, so they quickly adapted and organized themselves. Hand disinfection has always been a part of their process, as they work with household products. However, they very much missed the fairs. “At a live fair, we were able to collect up to 800 contacts or more. At a digital fair, we only got three, which is not quite as effective,” says Uroš. Despite the restrictions, their production ran normally and turnover even increased.

They are very proud of their colleagues and since the beginning of the company, they have taken great care of their employees, as they realize that it is difficult to get good people and even more difficult to keep them. “Some of our colleagues have been with us for 20 or 25 years, which proves that they are happy here,” Romana says proudly.

Looking ahead: growth and preservation of Slovenian jobs

Thanks to a growing number of loyal customers, they constantly need to expand their production, modernizing it and recruiting new employees. Currently, they are also in the process of digitization, part of which involves their online store, which was launched in 2018. This makes their

sales process faster and easier, while helping spread information about their company and products to a wider audience.

Although succession has not yet been discussed in concrete terms, Romana and Tone want their sons to continue the successful family story. “My husband and I have always been hard workers, so our sons have also grown into hardworking and fair boys. They respect our efforts, and we will be happy to hand the company to them,” confirms Romana on the company’s future. The decision on future development will ultimately be left to the sons. “Taking care of the company and its many employees is a great responsibility which is not easy,” caution the founders. In the future, they want to acquire new customers abroad, increase exports and add new products to their range. They also want to expand their brand recognition among younger generations and hope that they’ll learn to respect local Slovenian products. “We will definitely preserve jobs in Slovenia, and we also want to move into a larger facility,” says Tone, looking optimistically to the future.

Anton Piskar

Owner

Company name:

PISKAR d.o.o.

Number of employees (2021):

18

Net sales revenue (2021):

€3.8 million

Solis Timber d. o. o.

Jože Zoran, Founder and co-owner

Betka Zoran, Co-owner, Finance

Kaja Zoran Ledinek, Director

Youth and experiences from abroad brought fresh wind to the family company

Innovations and breakthrough are the guiding principles of the Solis Timber family sawmill and woodworking company, whose scope of operation extends across Europe and even to the USA, Africa and Asia. They export timber to more than 30 countries. Solis Timber, based in Straža near Novo Mesto, was founded in 1990 by Jože Zoran. Last year, he was succeeded at the head of the company by the current Director, his daughter Kaja Zoran Ledinek, who was involved in the company since childhood. During her studies, she left the family company to gain education and experiences abroad, which allowed her to bring Solis Timber to new heights. Since her return, the number of employees grew from 10 to more than 30. As a quickly growing company, Solis Timber was nominated for the regional Gazelle award in 2019. Using state-of-the-art woodworking equipment, Solis Timber aims to develop the best products for its clients; the goal is to become the first company in Slovenia with its own technology for production of wooden walls for prefabricated houses.

“When I worked in Germany, the philosophy there was ‘sky is the limit’. When I came back, I started implementing this way of thinking into our company. Some people may be afraid of what this will bring, but I want to soothe their fears with excellent results.”

Kaja Zoran Ledinek,
Director





Just as Kaja is now successful in a domestic company due to experience gained abroad, she was successful abroad because of what she learned at home.

Starting young, dreaming big

The story of Solis Timber started in 1990. "My father started the company in his garage as an independent entrepreneur," begins Kaja. "In 2007, we transformed the company into a limited liability company and named it Solis Straža, and last year, we changed the name into Solis Timber. In 2015, we bought land in an industrial complex and built new facilities and offices," she continues. Her father Jože believes this change - move to the industrial complex - was the key to their growth: "This was a milestone. We were running out of place at our old location and could not increase our capacities. We are happy to be here now and to have a vision for our future."

Kaja, current Director, was involved in the company's story since young age. "Kaja is an only child and has been interested in the company since she was around 10 years old. At first, she helped by sweeping the sawmill, but from around 12 years of age, she already had a mandatory 1-month internship," recalls Jože. His wife, Kaja's mother Betka, was also an entrepreneur who led an accounting service, so it is not surprising that Kaja chose to focus on

business and economics for her secondary and tertiary education, which she started in Ljubljana and finished in Rotterdam, Netherlands. But she was also drawn to wood. She completed a woodworking Bachelor's degree in Ljubljana, then a Master's degree in Switzerland. After her studies, she found a job in Germany. "She decided to work at one of the large German sawmill companies," explains Jože. Kaja stayed in Germany for two years. "She would have stayed longer, but I told her that she could come home and develop our story if she wanted to. That was a difficult decision for her. But she went to her manager who listened to her and told her that there would be no hard feelings if she decided to leave. We still have a great business relationship with that company," proudly says Jože.

New knowledge and new clients

In 2017, Kaja came back to Slovenia and to the family company. "In the five years since then, we were all involved in the company; me, my wife and Kaja," says Jože. "Since 2017, I have worked in all areas: supply, sales,

talent recruitment, strategy,” says Kaja about her role in the company. Last year, she became the Director of Solis Timber. With the knowledge and experiences she gained abroad, she brought a fresh wind to the company and started a new era of Solis Timber. “I have always felt good in Slovenia and I was happy here. But at some point, the large number of foreign students at the Ljubljana School of Economics made me wonder. I was always curious about their way of thinking and about the different trends in wood industry in other countries. This curiosity finally led me abroad,” says Kaja. She adds that she chose Rotterdam as her first location precisely because the Dutch are said to be good salesman. During her Masters in woodworking technologies in Switzerland she learned a lot about the wood itself and about its usage. “This gave me a strong theoretical support. My educational background gave me a really broad overview of both business and woodworking.”

Kaja also brought new clients to Slovenia. “Our potential new clients from abroad were very interested, even though some of them didn’t even know where Slovenia was. My strategy was to invite them to come visit us. Once here, they were all very impressed by Slovenia, but also by our company.

Then we started with small orders. In that period, we used to have two or three visits per week from Pakistan, India, China ...,” says Kaja about her fresh start at the family company. “Of the clients I used to have, very few have remained. It was mostly Kaja that brought us new contracts. WWe are now making completely different products than before she came along,” says her father of the changes in the company. He adds that they are now present in other, stronger markets across the globe.

The excitement and fear of no limits

There are specific aspects of a family business operation, it has both advantages and challenges. Jože explains that Kaja works in sales, his wife Betka in accounting and controlling, while he himself is a jack of all trades. He says that Kaja and him work great together: “There are some conflicts from time to time, but they are quickly resolved. We also discuss the business and the sawmill during our free time. We could spend 24/7 discussing this topic if we spent that much time together. We talk about what we plan to do, what we want to improve, but we also joke around, so that it is not always that serious.”



The main activity of Solis Timber is woodworking: sawing, drying, and planing wooden elements.



Kaja is led by her experience at the state-of-the-art production facilities in Germany and follows the motto ‘sky is the limit’.

“

The current Director learned hard work and entrepreneurial way of thinking from her parents as a young girl.



They have already started an important investment into cross-glued house panels.



Innovations and breakthrough are the guiding principles of the Solis Timber family sawmill and woodworking company, whose scope of operation extends across Europe and even to the USA, Africa and Asia.

Solis Timber in a nutshell:

innovations, technological edge, readiness, responsiveness, charity.

When asked how it feels to work with your parents, Kaja responds: "I try to set boundaries, but it can be difficult. I try to understand them and make sure that they understand me. I explain from several angles why I would make a certain decision, because their decisions would be based on different experiences." Kaja is led by her experience at the state-of-the-art production facilities in Germany and follows the motto 'sky is the limit'. She acknowledges that this can make some people afraid, "but I want to soothe that fear with our results. I still have to put a lot of energy into convincing everybody that my decisions are the right ones."

Ready for challenges and ready to help

The main activity of Solis Timber is woodworking: sawing, drying, and planning wooden elements. Their products are used for different purposes, from construction and packaging to furniture and houses. Kaja says that they export 90% of their products; within Europe, they are transported by trucks, and container ships deliver them to other continents. They are also present on the Japanese market: "It takes a while to enter the Japanese market. We needed four years to really start exporting there, because the Japanese need more time to start trusting you and your products," explains Kaja.

Working with wood always brings certain risks. "We always look forward and keep an eye on the situation in Europe, because the weather can effect the price and the raw materials. If there is a natural disaster in the north of Germany and a lot of timber comes from it, this effects the global market, and all other markets must respond. We are constantly monitoring the situation. In the recent years, it is almost like working at a stock exchange," Kaja describes the state of readiness in the company. But they are not just ready for natural elements and disasters, they are also ready to help when they happen. When several earthquakes shook the Petrinja region, Solis Timber donated a truck of planks and laths to fix the roofs of 20 houses.

Niche focus and automation

When asked about the plans for the future, Jože explains that they have already started an important investment into cross-glued house panels and adds: "We want to continue developing our products." Kaja expands the answer: "I see us as a niche woodworking company with excellent industry and market know-how as well as a wonderfully automated production improved by CLT and similar technologies." By selecting the best equipment, they will use automation to give added value to their products. They have already taken several important steps towards automation in 2012, when they invested five million euros into the equipment that now allows them to keep up even with the most powerful European sawmills.

Jože and Betka Zoran

Owners

Company name: **Solis Timber d.o.o.**

Number of employees (2021): **24**

Net sales revenue (2021): **€12.4 million**

VIGROS d.o.o.

Viljem Šiftar, Founder, authorized representative and owner of ŠIFTAR d.o.o., which owns VIGROS d.o.o.

Matej Šiftar, Director of ŠIFTAR d.o.o. and VIGROS d.o.o.

Maja Šiftar Benko, Lawyer for ŠIFTAR d.o.o. and VIGROS d.o.o.

Majda Hanžekovič Šiftar

Excellent logistics and trustworthy approach bring world-renown gastronomy brands to Slovenia

Vigros has been a leading representative and distributors of food item in Slovenia for more than 30 years. The company is well-known to all large and small retailers, caterers, hoteliers, cooks in schools and hospitals; in short, to everyone who is in charge of ensuring a varied selection of food items. Vigros creates more than EUR 20 million in revenue per year and delivers culinary items to more than 1900 satisfied clients. Today, the company has more than 100 employees and carries more than 1700 different products that will satisfy even the most discerning clients. The tradition of the family company, founded in 1991 by Viljem Šiftar, is now carried forward by the current Director, his son Matej Šiftar. Viljem's daughter Maja Šiftar Benko offers legal consultations for the company as an external contractor and her husband Jože Benko works in the commercial department. Recently, Matej's wife Andreja Vrečič Šiftar also joined the marketing department of the family company.

Viljem explains that Vigros was born out of a heartfelt desire to build a good life for his family and children. He can still remember how different his early life and the lives of his parents were. "I always wanted to create something to leave to my children," adds Viljem. His wife, Majda Hanžekovič Šiftar, was also very important for the success of the company; while working as a doctor, she also took care of the children and offered support so that Vilijem could focus on the company, which was especially crucial in the early years.



GROS



“Working with people is a very complex issue. Every employee has a different character, a different way of thinking, and I am responsible for making sure they all work together and make ideas into reality.”

Matej Šiftar,
Director



The company moved into new business premises two years ago.

It's never too late to become entrepreneur

Viljem Šiftar was 40 years old and, as he says, “no longer felt young”, when he started making new plans for the future. At the time, he was a Commercial Coordinator at ABC Pomurka, regional food-processing giant. Many manufacturers that used to be part of ABC Pomurka had started making their own way and Viljem felt that the company did not have a future. In 1991, he and his business partners founded their own company, Vigros. They started by importing Austrian juices, beers, and chocolates. In that period, the products basically sold themselves. “We could sell everything that we could import,” recalls Viljem.

The company was doing well, but Slovenia's entry into the EU brought some uncertainty. “Many people were afraid that after we entered the EU, multinationals would open their own subsidiaries in Slovenia. At that moment, the future seemed more uncertain,” explains Viljem. Due to a difference of opinions between the owners about the future of Vigros, the ownership was consolidated in 2003 and Viljem Šiftar became the sole owner of the company. From that moment on, the company's revenue continued increasing by 10 to 15%, thanks to excellent, carefully built relationships with the suppliers, and loyal coworkers.

The next generation

“The year 2003, when my father became the sole owner, was a crucial point in the development of the company, which allowed it to become what it is today. At the time, the company was very undercapitalized and needed a lot in investments. We knew that storages and cold rooms are the most important investment, so they became our priority. Ever since, the company is operating just like we wanted it to,” says Matej Šiftar, Viljem's son, who took over the reins of the company in 2011.

Even though he had always dreamed of taking over the company, he was still surprised when he became the Director. “Father generally never talked much about his plans for the company, so I was surprised when he told me that he is retiring and that I should take over as the Director. I was 34 year old, and even though I had already been working at Vigros for quite some time, I was surprised by the scope of the directorial function. Father supported me, but also expected independence. I may have made some mistakes at the time, but the most important thing is that I learned from them,” recalls Matej.

Matej was always interested in working at the family company and he tailored his educational path to serve this goal. He went to business high

school and continued studying business in Austria. As he didn't speak German very well at the beginning, he sometimes found it difficult, but with persistence and hard work he completed his degree and went on to an internship in Ireland. Viljem proudly tells that many meetings with new suppliers went more smoothly thanks to Matej's language skills and experiences from abroad.

On the other hand, Matej's sister Maja always knew that she wanted to study law. She persisted and successfully finished her law degree and today consults for the family company in legal and HR matters.

Family constitution is an opportunity to strengthen family relationships and transfer ownership

The Šiftar family is one of the few entrepreneurial families in Slovenia who decided to write a family constitution to clarify the relationship between the family and the company. The practice of preparing family constitutions, which guide the entire process of ownership and leadership transfer to the next generations, has only started gaining ground in Slovenia. The Šiftar family is preparing to sign the constitution and transfer the ownership in 2022. Viljem Šiftar describes his feelings about the process this way:

"I always knew that I would sometime have to transfer the ownership of the company, but I had no real vision how to go about it. Then I realized that it might be good to include external help. I'm very happy with everything we did in the process of preparing the family constitution, which will allow us to transfer the company to the next generation without any unnecessary stress."

Managing people is more difficult than getting new clients

In 2011, when Matej officially took over from his father, Vigros had 45 employees; today, there are more than 100. How did they feel about the new Director? "It was not always easy, many employees were older than me. They had to accept that I'm different than my father and have a different style of leadership. I prefer to give people freedom, as long as everything gets done as agreed," says Matej, who was mostly in charge of supply before taking over the directorial role.

The relationships in the company are very open and they are always prepared to meet the employees half-way, if they need any help. They encourage the employees to set challenges for themselves, to grow and



Matej Šiftar became Director of VIGROS d.o.o. in 2011. Even though he always dreamed of taking over the company, he was still surprised when he overtook the function.

“

Vigros does not try to convince their clients with lower prices, but with high-quality services, reliability, responsiveness, adjustable prices and reliable delivery, which is key to long-term success.



In 2009, when this was not at all the norm, Viljem put the first solar power plant on the roof of Vigros. Today, their solar plants generate a significant part of the electric energy needed for their cooling and freezing systems, which make up the majority of the company's costs.



Celebrating the company's 30th anniversary with employees. They encourage them to set challenges for themselves, to grow and to follow their ambitions.

Vigros in a nutshell:

courage, learning, sustainability, reliability, growth, and development.

to follow their ambitions. Even though the number of employees steadily grows, Matej knows everyone personally and stays in contact with them: "Working with people is a very complex issue. Every employee has a different character, a different way of thinking, and I am responsible for making sure they all work together and make ideas into reality. Since my very first day, I have been making recruitment and people management a priority, but I still feel I have a lot to learn."

Sustainability is an important value

In 2009, when this was not at all the norm, Viljem put the first solar power plant on the roof of Vigros. Today, their solar plants generate a significant part of the electric energy needed for their cooling and freezing systems, which make up the majority of the company's costs. When investing into their new storage facilities, they kept sustainability in mind; storage facilities are designed so that the heat produced during cooling is used to heat the offices and other areas. The new facilities are also topped with a solar power plant, which, combined with the existing solar plants, will allow them to produce up to 60% of the energy they need.

"My father, myself, and all other colleagues try to protect our planet with our actions. While every individual has only a tiny impact, together we can make sure the situation remains bearable in the long run," Matej sums up the philosophy of the family company.

Convincing clients with quality

Vigros has many ambitions. The main challenge in the future is to increase their market share and become a more important supplier to restaurants and hoteliers. "We have always been selling ice-cream to restaurants, but this is only viable a couple of months per year. This is why we expanded our range of products to include both frozen and canned food. Restaurants do not want to have many suppliers, they prefer one supplier who can get them different food items," says Matej. To enter this market, they had to expand their storage capacity and find logistic solutions to deliver the products to 3500 locations using vehicles that can cover all necessary temperature ranges.

Their long-term strategy is based on the quality of their services and modern information technology. "Buyers are very sensitive to prices and quality, but we don't want to be the cheapest option; we want to be the best option. The advantages we offer to our clients are quality, reliability, responsiveness, adjustable prices and reliable delivery. Food safety is the first priority of the entire logistic chain," explains Matej.

Viljem Šiftar

owner of Šiftar d.o.o., which owns Vigros d.o.o.

Company name: **VIGROS d.o.o.**

Number of employees (2021): **74**

Net sales revenue (2021): **€20.1 million**

Family Business Professionalization Guidebook

Last year, EY Slovenia has added new knowledge solutions aimed at supporting family businesses, and the families behind them, on their growth and development journeys. Based on recent research and findings related to family businesses¹, we have introduced a reference guidebook, *“Professionalization in Family Business”*, plus an accompanying handbook, *“Family Business: Individual Growth and Development Handbook”*.

¹ *Professionalizing the Business Family: The Five Pillars of Competent, Committed, and Sustainable Ownership*, Binz Astrachan, Claudia; Waldkirch, Matthias; Michiels, Anneleen; Pieper, Torsten & Bernhard, Fabian (2020).



Family Business Individual Growth and Development Handbook

Both publications complement and extend our approach to the process of succession in family businesses, typically captured in family charters for organizational and culture change. We hope that Slovenian family businesses will find these newest contributions useful in addressing their needs. Our drive is to build an approach which is research-based, structured and relevant to knowledge and self-development in family business.



Please contact EY Slovenia
for more information.

Family Business Services

Helping you succeed for generations

Why choose EY?

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

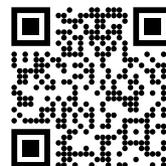
Our unique "Growth DNA of a family business" model addresses every facet of your personal and business agenda. It aligns our personalized range of business services to address your specific needs from capital management, sustaining growth, effective tax management and balancing risk, to culture and CSR. 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, allowing you to connect and learn from fellow family business leaders around the world.

EY Slovenia and family businesses

EY Slovenia cooperates closely with the EY Global Center of Excellence. Through our local program we connect and present Slovenian family businesses. With the support of the Center we also link them to the global stage through dedicated events and the EY Award of Excellence for Family Businesses. In addition, we have also begun to actively support businesses in succession planning from organizational, tax, legal and other perspectives, as well as various dimensions of development and international growth.



Visit our website
ey.com/en_si/family-enterprise.



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

EY Growth Navigator™

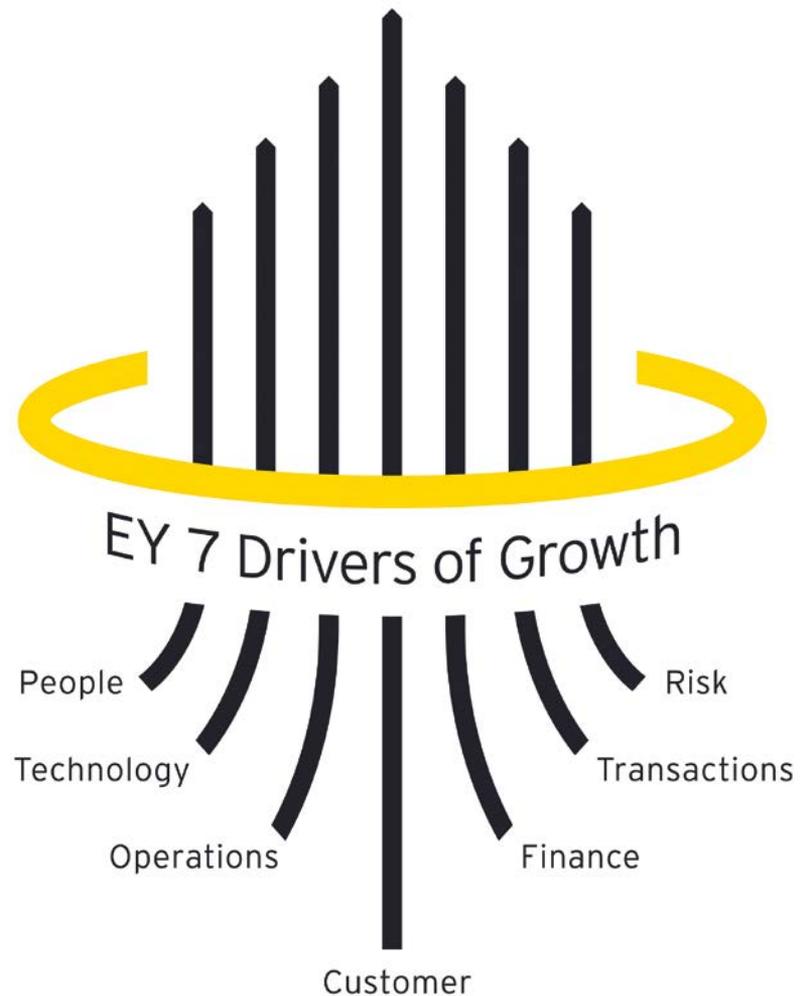
Accelerate your journey to market leadership

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've 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.



SPIRIT Slovenia

Timely and careful preparation is necessary for a successful transfer of ownership

SPIRIT Slovenia promotes timely preparation of transfer of ownership in Slovenian companies with a special focus on building the competencies of successors of family businesses.

Family businesses are strong, widespread, and successful, and represent the foundation of the Slovenian economy, as they contribute an important part to its stability and growth. The most successful Slovenian family businesses are characterized by innovation, good family relations, growth, concern for local development and employees, and activities at the regional and global level.

At SPIRIT Slovenia, we carry out a range of activities and services for family businesses, encouraging them to recognize the challenges that await them in the future. We pay great attention to activities related to the challenges of succession, as we are aware that the transfer of ownership is one of the stages in the life cycle of a business that is crucial for many companies.

It is a long-term and demanding process, both financially, legally, organizationally, and psychologically, so the transfer of ownership must be carefully planned. At SPIRIT Slovenia, we established a national focal point for ownership transfer at the agency at the end of 2019. This represents a comprehensive ecosystem of support institutions that work with the Agency in raising awareness and providing professional support to companies in this area.

The goal of the National Agency for the Transfer of Ownership is to raise awareness of the importance of timely succession planning in businesses and to encourage entrepreneurs to carefully prepare for the transfer of ownership. With its help, we raise awareness, inform, train and advise

entrepreneurs so that they can prepare for the transfer of ownership in good time. In collaboration with supporting institutions, the office offers lectures and sharing of best practices, complemented by diagnostic advice and grants for carrying out the property transfer process. Since 2019, 261 initial diagnostic consultations have been held, 146 companies have joined the property transfer voucher, and more than 90 lectures and workshops have been held, attended by more than 3,000 entrepreneurs.

We notice that also due to the comprehensive activities of this item, more and more companies decide to start the transfer process in time, which fills us with satisfaction because this is how we achieve our goal.

To support the activities co-financed by the voucher for the transfer of ownership, we have established at the Agency a database of experts and a catalog of training courses for transferees. The program includes financial support for activities, regardless of the form of transfer of ownership, and is a response to certain challenges in the field of transfer of ownership between generations in family businesses and in other forms of transfer of ownership.

We are pleased to work with EY Slovenia in promoting the success of family businesses, which, as part of an international group, also ranks Slovenian businesses among the best family businesses in the world. SPIRIT Slovenia is committed to making Slovenian family businesses known in the international business community as well, which is why we proudly support their promotion in the book Family Business Slovenia.



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MINISTRY OF ECONOMIC DEVELOPMENT
AND TECHNOLOGY



www.podjetniski-portal.si/programi/druzinsko-podjetnistvo

Last year's highlights



01 Official presentation of the book Family Business Slovenia 2021. **02** Family businesses and their stories, presented in the book Family Business Slovenia 2021. **03** Janez Uranič, Mojca Emeršič and Matej Kovačič, each with their speech at the publication of the book Family Business Slovenia 2021. **04** Intra lighting, the winner of EY Award of Excellence for Family Bussinesses 2021. **05** VARIS Lendava is a family company that has become a leading European specialists for development and manufacturing of prefabricated bathrooms. They are the winners of the EY Award of Excellence for the Family Business 2022.

Family Business Slovenia 2022

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Jani Ugrin

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



Urška Lukovnjak

Born in 1993 in Maribor, Urška Lukovnjak started taking photos in high school. Her first photographs were portraits of musicians, and she later began to engage in concert photography, which she enjoys the most. She also creates portrait and wedding photography.

Picture credits and copyright

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