



Family Business
Slovenia
2018



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Slovenia
2018



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“This year, the participating companies particularly accentuate the importance of responsibility and mutual trust.”



Janez Uranič
Country Managing Partner
EY Slovenia

Foreword

We are pleased to present the latest, fifth edition of our book Family Business Slovenia, in which we unveil another 10 successful family companies. Our five books present a total of 50 companies and we are delighted that there are so many positive, inspiring stories in Slovenia. Every year, we discover and meet families who sometime in the past courageously embarked on a business journey, which is now continuing through new generations.

By sheer coincidence, the companies that we present in this year's book all come from the western part of Slovenia, but cover very different areas of endeavor. Among them, you will find manufacturers of children's footwear, beekeeping equipment and concrete products, software developers, a micro-brewery, plus companies engaged in cutting and distributing quenched and tempered steel, processing plastics materials, selling technical thermoplastics, innovatively processing stone, and selling and servicing textile machinery.

Even though these companies are extremely diverse, their common denominators are not only success, but also that they all attribute it to

the connectedness of their families. This year, the participating companies particularly accentuate the importance of responsibility and mutual trust. However, they also feel it is crucial to devote sufficient time to the family and not invest it all in the company. The time they are able to spend chatting about their next bicycle tour or playing with grandchildren is truly precious.

At this point, I would like to congratulate the three recipients of this year's Slovenian "Gazelle" awards. We have already presented all their successful stories in our previous books: Bronze Gazelle recipient Roletarstvo Medle was part of last year's edition, Silver Gazelle recipient Intra Lighting was presented in our first book in 2014, while Golden Gazelle winner Mebor also filled the pages of the 2017 edition. We are glad that family companies are being increasingly widely recognised as innovative, responsible and ambitious, companies which build their strategies on quality, sustainable development and creativity. We hope this trend continues and that one of the companies you find among the pages of this year's book will receive the recognition of a Gazelle award in 2019.

“If the catalyst for the successful operation of a family business is unity and kinship, the opposite is represented by family conflicts and disagreements that may be the particular component hindering growth and development.”



Mojca Emeršič, CFBA
Family Business Leader
EY Slovenia

Introduction

Family business management can be associated with so-called family governance. This incorporates the broader view of governance evolution in family businesses. Usually in the first phase, the founder is responsible for the majority of operational aspects and may then gradually begin to involve other family members. On occasion, even at this stage, management teams may include non-family professionals.

With the growth of operations and company development, the need often arises for the separation of family and non-family matters at the management level. Namely, top or middle management meetings in family businesses can focus also on family matters, specifically relationships between family members. Unfortunately, such meetings often end with accusations and boisterous disagreement.

If the catalyst for the successful operation of a family business is unity and kinship, the opposite is represented by family conflicts and disagreements that may be the particular component hindering growth and development.

Governance in family businesses may develop to the stage where separation of family and professional spheres becomes a management issue. This can be associated with the realization that elements of professional corporate governance are required, often resulting in the participation of persons from outside the family as well as professional managers, while family-related topics are purposely relegated from management meetings. Timely

consideration of requirements and an appropriate management plan can have further positive impact on the interest of external candidates for managerial positions.

This means that family members, owners and potential future owners require their own separate forum where they can form and express their own expectations and wishes, and become acquainted with responsibilities, opportunities, rights and restrictions derived from their ownership or family status. As a result, here at EY, we propose family businesses to consider forming so-called family councils. A family council is independent from management bodies and allows family-related matters to be addressed, providing for the coordination and governance of expectations in the broader sense of the family component in such businesses.

In general, the objective of a family council is to promote cooperation among the largest number of family members possible, in order to learn about different views and interests. This way, they may be addressed more efficiently by the family, in turn allowing company management to focus more on the business, which may lead to accelerated growth. A family council can coordinate the drawing-up of the family charter as well as vision and statute, assist in defining family values and their (commercial) history, determine entry, exit and employment policies for family members and detail a training plan. Crucially, it can also determine the process of introducing future generations into the family business. However, one thing is certain - formation of a family council can promote family unity.

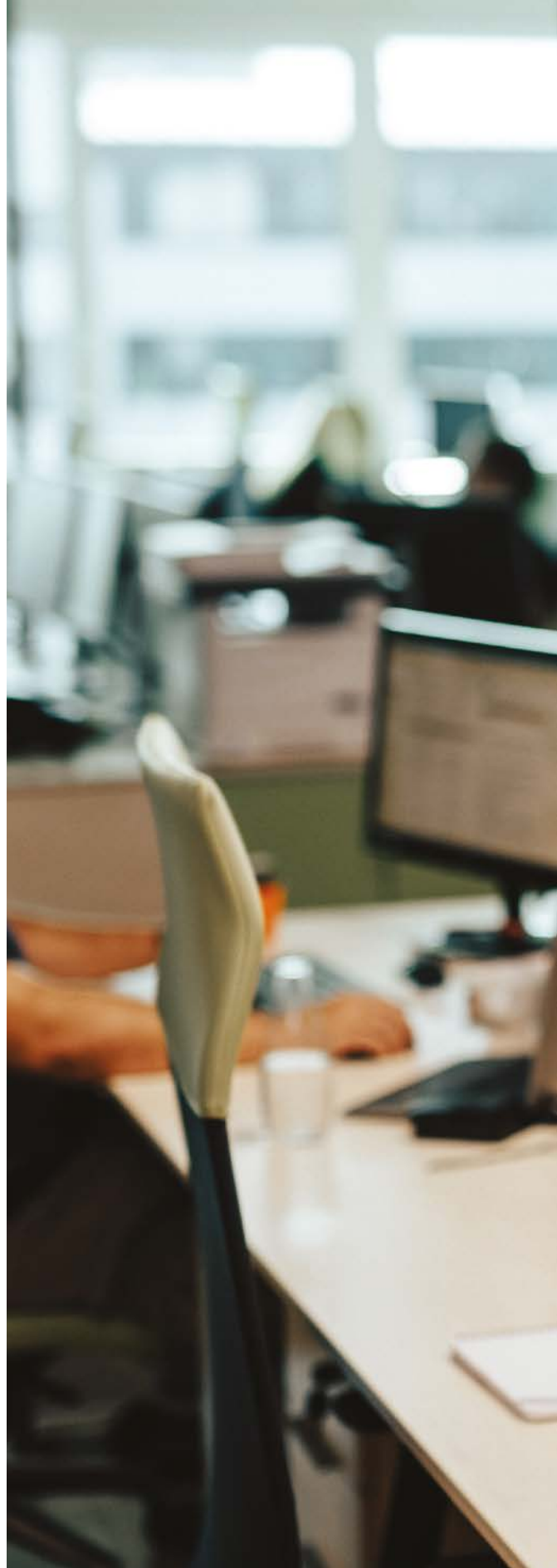
Agitavit Solutions, d. o. o.

Anka Brus, owner and CEO

Turning professional self-belief into IT solutions worth millions

Fifteen years ago, husband and wife team Anka and Mišo Brus were looking to offer companies locally-based IT expertise. This led them to form their own company - Agitavit Solutions (initially called Agito). During their final year as mathematics students, these two university colleagues turned partners, decided to develop an electronic phonebook. Then, after completing their studies, they both obtained positions in the company which developed the first electronic phonebook for Slovenia. While expecting the birth of their first son in 2003, they embarked on their own business journey, along with their only co-worker. Today, under Anka's leadership, they offer customers IT business solutions with a staff of 80 employees. The company cooperates with some of the biggest Slovenian firms, such as Krka, GEN-i, A1, Kolektor, Pošta Slovenije and Abanka, as well as high-profile international companies like the Sandoz Group and the Hilti Corporation. In recent years the business has grown, while increasing its share of the German market and continually developing and promoting its own products. They are always searching for new opportunities by researching the potential of new discoveries in the information technology field. Throughout their history they have also been certified as a Microsoft Gold partner. As of 2017, over €3.9 million in revenue and half a million in profits are proof that the company meets, or rather exceeds the expectations of their customers.

"It's not enough for us to be good, we want to be above the curve. We always aim to exceed the expectations of our customers and try to find the best solution for them," is how Anka, who has now been the CEO of the company since 2014, briefly explains their work ethic.





“It’s not enough for us to be good, we want to be above the curve. We always aim to exceed the expectations of our customers and try to find the best solution for them.”

Anka Brus,
owner and CEO



Since every service or solution is a product of teamwork they believe in both knowledge and cooperation

Starting off with their own capital and personal credibility

As with many successful duos, Mišo and Anka had very different personalities. These have complemented each other well enough to help them overcome all the initial doubts and fears of starting a business. "My husband was always more daring and the one up for a challenge. I, on the other hand, was the one always thinking about the 'what ifs...'" When he and a co-worker started out we weren't sure if we would be commissioned for a project or not. All we had was our own capital, knowledge, our personal credibility and a great deal of persistence," is how Anka, who joined the company in 2007 after the birth of their second son, remembers the beginning.

The company has enjoyed constant growth, so their success was quickly noticeable. The year Anka joined the company they were commissioned to carry out their first international project. "We had to develop a customized

solution. The customer wanted to improve his competitive edge with the help of IT. The aim was to increase the sales of their products. When designing the product we coupled the customer's domain know-how to our knowledge in development and user experience. The result of this venture was a solution which is now being used by over 100,000 users worldwide," explains Anka, remembering one of the company's pivotal business deals.

With the company's growth came greater responsibilities. From acquiring new employees, marketing, applying for various open-call tenders, to human resource development and employee performance management. "When you work in your own company you initially don't have separate divisions for each area of work. And as the company grows, you simply have to do many different things at once," Anka remembers and explains how she and Mišo had to split tasks between them. Because of the diversification of solutions throughout various domain areas, the economic crisis of 2008 did not affect the company badly, although it did momentarily slow the rate of its growth.

Even today, customized solution development presents the largest part of Agitavit Solutions' business operations. For over 10 years they have been helping companies develop their employees' potential through a human resource product called eHRM. In their portfolio you can find internal communication and cooperation solutions as well as support for project management and project portfolios. In recent years they have also been working on The Internet of Things.

Open communication and high ethical standards always pay off

Anka and Mišo have always been guided by the desire to incorporate their personal values into their business. That is why Agitavit always puts quality and customers first. They are responsive, flexible and always stand

by their word. Since every service or solution is a product of teamwork they believe in both knowledge and cooperation. Anka briefly explains the company's values: "Knowledge is gained through day-to-day learning and from searching for better solutions. We never stop wondering how something that we went about doing in a certain way could be improved in the future. What is important is that we are constantly willing to change and improve." In Agitavit knowledge is shared throughout the employees and team members always aim to help one another. Anka believes that cooperating with customers is equally important and adds: "We want to establish long-term partnerships with our customers. Our experiences show that open communication and high ethical standards pay off in the end. We share common values with most of our clients, so it's no coincidence that we have been in business with some of them for over 10 years."



More than 80 Agitavit employees solve business challenges to increase the competitiveness of their customers

We never stop wondering how something that we went about doing in a certain way could be improved in the future.



They are aware that customers will be excited about a product only if employees are too



Genuine, successful and friendly relationships between co-workers represent the heart of Agitavit



In 2018 Agitavit opened new business premises in Maribor

Agitavit Solutions in a nutshell:

quality, cooperation, knowledge, relationships, customer-focused

A company that respects and cherishes the personal lives of its employees

The importance of values also comes across in Agitavit's culture. Genuine, quality and friendly relationships between co-workers represent the heart of the company. This provides an atmosphere in which people go about their work with joy and overcome obstacles together.

Because demand for skilled workers outstrips supply so significantly in today's IT field, acquiring new employees presents a special challenge. Anka is certain that due to both the interesting nature of their work and project diversity, talents will be motivated to join their team. What is also of importance is a good balance between personal life and work. "When our co-workers have personal obligations earlier in the day, they are always given the option to adjust their working hours or they can simply work from home. Those who have children in the first grade of elementary school are given an extra day off so that they are able to take their children to school. And then in December all of the families gather to welcome Father Christmas," explains Anka of the company's policies.

Following in their parents' entrepreneurial footsteps - by choice

After a day at the office Anka returns to her two sons, who are now 13 and 15. All they care about right now is soccer. Since they often talk about it at home, Anka says they are both familiar with what goes on in the company. She stresses that she doesn't want them to be burdened by having to work in the family business in the future and adds: "If their path takes them into the IT sector, and if they prove themselves in the field, they will be given an opportunity here. From a user's point of view they are both already connected to IT but are currently at a point in their lives when they don't quite know what they want to do in the future."

She is certain that her sons do not feel that the company takes too much of their mother's time. They understand that success is not easily won and that being an entrepreneur means hard work and commitment. They all discuss it regularly. "I don't want to force them to continue on this path only because my generation created something. I know of families where the next generation was absolutely miserable because they were forced to continue the business. Each of them must find something that interests him and which they are good at. I don't want to put someone in a leadership position who doesn't want to be there."

Being the best for our clients and our co-workers

Being the best is the Agitavit Solutions vision. Their many rewards and accolades prove that they are well on their way to its realization. Among these they are most proud of the Microsoft Partner Of The Year Award, for custom development, and the Slovenian Chamber of Commerce award for outstanding business and entrepreneurial achievements. Their trusted customers also represent a professional reward in themselves. They are the ones who appreciate their agility, reliability and their focus towards a common goal. "We make sure not to take our customers for granted and so we always strive to give a little extra so that they are happy with our work," is how Anka puts it. "At the same time we are very much aware that the customers will be excited about something only when our employees are happy and that is why we take special care of employee development and try to ensure they feel content working with us."

Anka Brus

Owner

Company name: **Agitavit Solutions, d. o. o.**

Number of employees (2017): **78**

Revenue (2017): **€3.9 million**

Ciciban (Afit d. o. o.)

Tomaž Petejan, co-owner and Director of Afrit d.o.o

Boris Petejan, co-owner of Afrit d.o.o

Robert Petejan, co-owner of Afrit d.o.o

More than 600,000 pairs of children's shoes per year

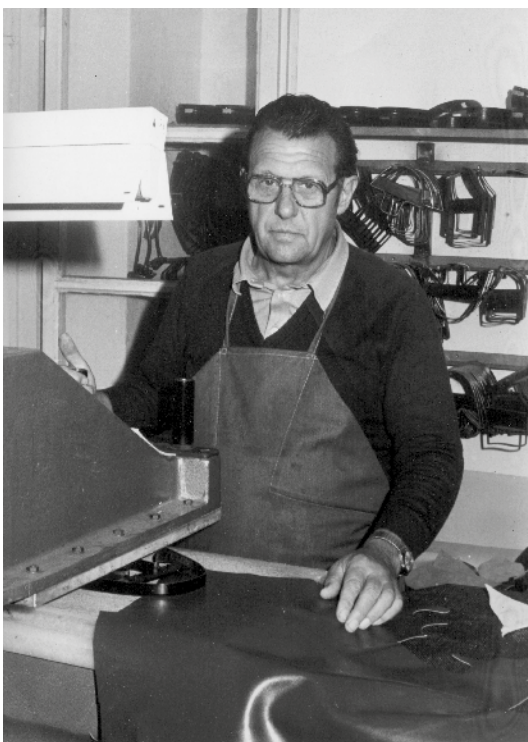
The town of Miren in the Goriška region of Slovenia is famous for its over 100-year-old shoemaking tradition. Small shoemaking workshops that seem to have operated in the town forever, have slowly developed into a shoemaking industry, which has had a significant influence on the development of Miren. From the very beginning, the family Petejan, who today specialize in the production of children's shoes under the "Ciciban" brand, have been engaged in the shoemaking industry. Today, the third generation of the Petejan family is working in the family business, manufacturing over 600,000 pairs of children's shoes a year. The three Petejan brothers agree that their business is a mission: when you are manufacturing children's shoes or anything else that children will wear or use, you have an enormous amount of responsibility to make the product of very high quality and, in the case of footwear, as comfortable as possible. Small children are often unable to express that something is not quite right or is uncomfortable, and thus the entire process from the selection of best quality materials to the final testing of footwear is all the more demanding and important.





“The family business is everything we do, it is our life, our health, we are an integral part of it, we go to sleep with it and we wake up with it.”

Tomaž Petejan,
co-owner and Director



Father Pavel Petejan



Tomaž, Robert and Boris (from left to right) practically grew up in the workshop

The family bought and revived the “Ciciban” brand

“The family’s shoemaking tradition dates back to 1922, when ‘nono’ Ivan (the grandfather) began to work as a shoemaker. After the bankruptcy of a large shoemaking cooperative, ‘nono’ and his brother bought the machines and soon became the major craftsmen in the village,” explains Tomaž Petejan, today’s Director of the Company, on how the family business got started. Until 1929, the family had a shop in Gorica and in addition, they sold shoes at trade fairs and markets. The solution was at hand, says Robert: “Nono Ivan decided to purchase a car that had wooden wheels to increase mobility.”

The shoemaking tradition was continued by Ivan’s son Pavel, who in 1953 laid the foundations of the family company “Čevljarstvo Petejan”. “The Jadran factory, which manufactured women’s and men’s shoes, was established in the town in 1947. At the same time, Pavel began to manufacture children’s shoes in his workshop using old machines which ‘nono’ Ivan had bought,” describes Tomaž on how his father seized the opportunity. Eventually, the Jadran factory also began to produce children’s shoes under the “Ciciban” brand.

As the needs and demand for children’s shoes grew over the years, Pavel’s three sons joined the family business, which was continually growing. “The Jadran factory and the Ciciban brand went bankrupt in 1994, and a year

later we bought the premises of the former Ciciban Miren company and again launched and patented the Ciciban brand,” explain the Petejans. In 1996, the company Afit was established, which is engaged in the manufacture of children’s footwear under the Ciciban brand. Three years later the “The Next” brand of footwear for young people was launched along with the “Balocchi” brand of children’s footwear intended specifically for the Italian market.

Over 100 experts work on each pair of shoes

Today, the family business is the leading manufacturer of children’s footwear in Slovenia, and also in the wider region as in addition to Slovenia, they are present in more than 15 countries around the world, from neighboring Italy, Croatia, Serbia, Bosnia and Herzegovina, all the way to Russia, Cyprus, Canada and Australia.

“Our high quality products are the result of the family’s expertise and tradition combined with modern technology. More than 100 highly experienced specialists are engaged in the manufacture of each pair of shoes,” explains Tomaž, pointing out that the public are not sufficiently aware of the importance of the quality of children’s footwear. “We are saddened by the common belief that high quality children’s shoes are too expensive. Considering the care and expertise required during the manufacturing process, children’s footwear is in fact extremely good value for money. ”

Boris agrees, emphasizing that the Company is well aware of this fact. "A child is not able to express that something is wrong, or that the shoes are too tight or uncomfortable. For this reason, we are working hard to make the best quality shoes as comfortable as possible. However, quality does not come cheap, especially when only the best materials are used. The three brothers agree that special care has to be taken in the manufacture of children's footwear. "When we are introducing new designs or new components, we must consider the fact that the shoes are made for children at all times. And thus, special care is taken for all decorations to be safely attached so they don't fall off and to prevent children detaching them and putting them in their mouth." We are currently facing trends and challenges that are likely to prevail in the future. "Veganism, religion and ethical reasons contribute to the fact that some people no longer wish to wear leather," explain the brothers.

Top design

The final product, which is characterized by a high-quality manufacturing process and is a product of knowledge of several generations combined

with the use of top-notch technology, is always the top priority for the family business. Due to the high quality of materials and the manufacturing process, their products, which are recognizable by their finishing design solutions, are successfully challenging the world's top designs primarily on the Italian market, where they are recording continuous growth.

If the first commercial targets of the Petejan brothers after reviving Ciciban were the markets of the former Yugoslavia, where the brand's shoes prevailed before bankruptcy, today the picture is slightly different: "Our major market is Italy with 35% of total sales, Croatia with 25% and Serbia with 20%, followed by Slovenia with about 10% of total sales. The remaining sales are achieved in Bosnia and Herzegovina, Canada, Australia and the EU," explains Tomaž. Every year, 600,000 pairs of shoes are produced at the factory. In the entire history of the Ciciban brand, they have manufactured as many as 50 million pairs of children's shoes. The family business employs 600 staff across various countries; 169 of those are working in Slovenia. A decade ago, a part of their production was moved to Bosnia and Herzegovina, where they also have a factory.



They are successfully challenging the world's top designs



Selection of top quality materials is demanding and important



Shoes are handmade



The public are not sufficiently aware of the importance of children's footwear quality



Shoes are produced in Slovenia and Bosnia and Herzegovina



Ciciban products are recognizable by their finishing design solutions



Their business is a mission: when you are manufacturing children's shoes, you have an enormous amount of responsibility to make the product of very high quality and as comfortable as possible

Ciciban in a nutshell:

tradition, knowledge, professionalism, responsibility, dedication

Before transfer to a new generation, you must ensure the company is in good condition and not a mere skeleton

When asked what a family business means to them, the brothers respond unanimously: "It is a way of life and business, where the focus is not only on maximizing capital and profits, but rather where the future, tradition and responsibility merge to ensure that on transfer to the next generation, the company is in good condition and not a mere skeleton."

The harmony between the brothers is challenged daily: "We often stand on opposing sides. To find a solution we sit down, discuss the matter and come to a joint decision." Adjustment, they say, is all the more important since the "family business is everything we do, it is our life, our health, we are an integral part of it, we go to sleep with it and we wake up with it, whilst carrying major responsibility on our shoulders." The next generation is currently at school and is not yet involved in the family business. Although the brothers wish for their children to continue the family tradition, they are also aware that experiences from other fields and companies are more than

welcome: "We entered the family business as a matter of fact, none of us has ever worked anywhere else, and this can sometimes be a disadvantage. Because you have not gained experience elsewhere and you never had to answer to anyone, you lack certain experience and you are forced to learn from your own mistakes. An opportunity to learn while working in other industries and other companies is valuable as it gives you the chance to see how things are done outside the family business and to bring this knowledge to the family business to upgrade and improve it further. We did not have this opportunity and grew up with the family business, which we don't perceive as a job but as a way of life. To be honest, we find it difficult to separate private and business life."

Saying that, the younger family members will always be welcome in the family business, as the brothers consider long-term plans for their company: "We intend to increase our market share on EU markets and also on the markets of third countries, maintain product quality, further consolidate brand awareness and invest in development of knowledge, technology and modernization of the production process," Tomaž explains for their future aspirations.

Our high quality products are the result of the family's expertise and tradition combined with modern technology.

Tomaž, Boris and Robert Petejan

Co-owners

Company name:	Afit, d. o. o.
Number of employees (2017):	169
Revenue (2017):	€15 million

Damatech, d. o. o.

Darko Mikec, General Director

Mateja Mikec, Deputy Director

Eva Mikec, Head of Internal Sales

Damir Ejup Mikec, Technician in charge of Shape-Cutting

Steely Damatech focuses on long-term success

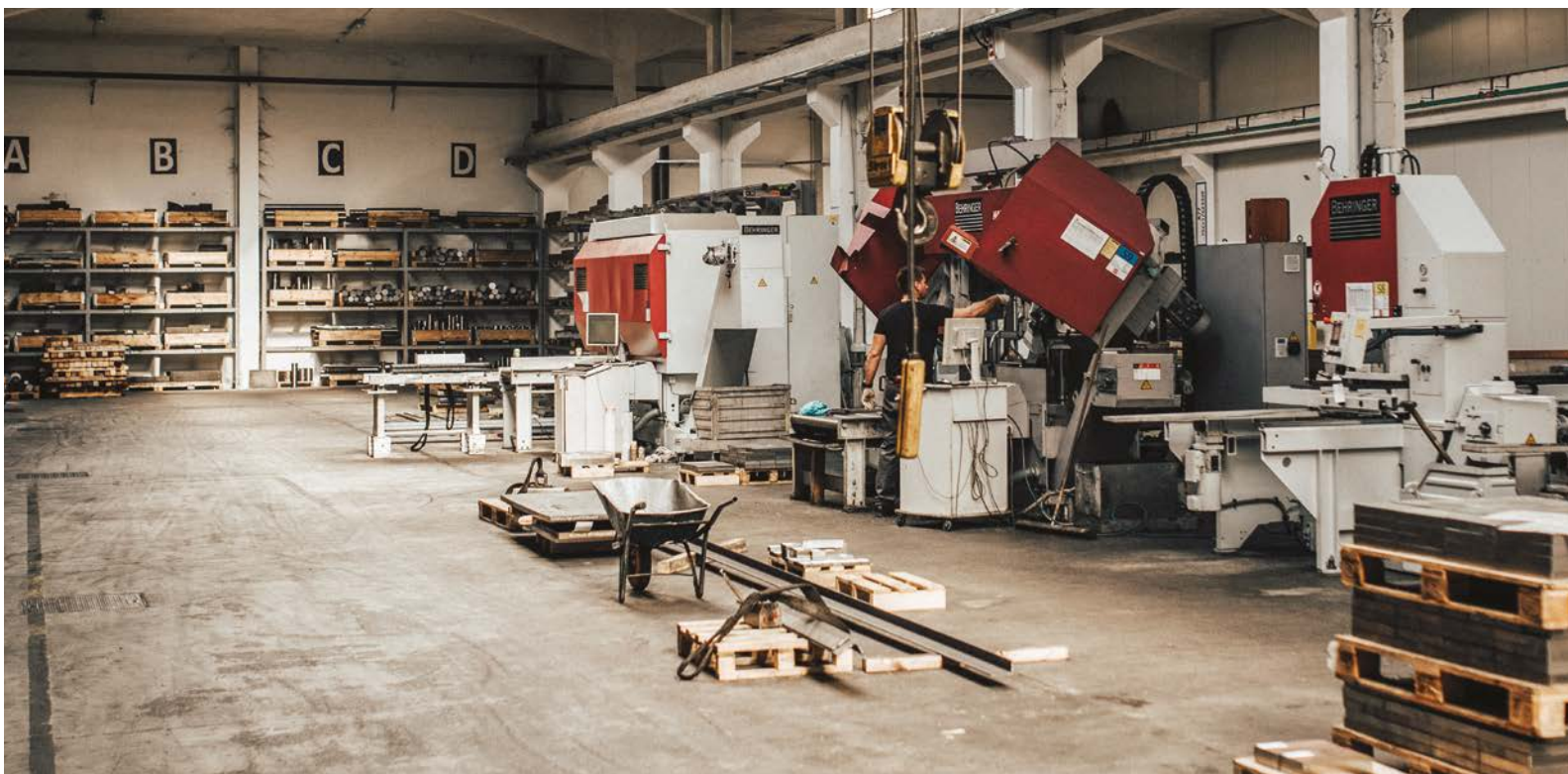
A family-owned company such as Damatech could be described as steely. That is to say it is tough and strong, much like steel, which is appropriate as steel is the focus of their business. They specialize in marketing heat-treated steel for wearing parts, the tool industry and machine manufacturing. They see themselves as a top supplier of heat-treated steel solutions and provide services out to a 500 kilometer radius. Although married couple Mateja and Darko Mikec, who are also metallurgical engineers, founded the company in 2004, they have been active in business only for the past 10 years. Yet their growth has at times been so rapid that it saw their workforce expand from 18 in 2016 to 28 just a year later. Over the last six years they have invested €5 million in development, 80% of which came from their own capital, and for the past two years the company was included in the official selection for the Gazela award for the Gorenjska region. They are currently in the process of restructuring their manufacturing plant, due to a lack of space and in order to provide greater efficiency, but sizeable resources also go towards digitization and new IT. General Director Darko Mikec presents a clear goal on which they are completely focused - making €10 million in revenue by 2020. In cooperation with their customers and suppliers they strive to build long-lasting relationships and it is extremely important to them that this approach is applied to everyday practice. *"Marketing steel is a marathon,"* emphasizes deputy director Mateja Mikec and adds, *"but we work with experts who truly understand steel."*





“By 2020 we want to achieve €10 million in revenue. This is pure organic growth that doesn't require too many risks.”

Darko Mikec,
Director



Operator uses a band saw

First supplies came from savings

Both Mateja and Darko began their careers approximately 30 years ago in the technological department of Železarna Jesenice. Coincidentally, Mateja began hers in almost precisely the same location in which their company is situated today. In the early 1990s, when the economic system in the country began to change, both of them were searching for new opportunities. As Mateja puts it, they were both ambitious, keen to prove themselves and wanted to create something. They acted as each other's support system. In 1999 Mateja concluded her international MBA studies, followed by Darko's MBA a year later. Through their studies they were able to complement their expert knowledge with extensive management and leadership skills.

Even though the company began in 2004, both founders were occupied with other matters at the time. Mateja was responsible for kick-starting a Slovenian waste product management company called Interseroh, part of the German ALBA Group conglomerate, and Darko Mikec was then the General Manager of the Metal Ravne ironworks.

After the Russian takeover of Slovenia's ironworks, Darko recognized that he possessed enough expert metal knowledge and had sufficient entrepreneurial spirit to be confident in starting his own business. In 2008 he invested all of his savings and severance pay funds into acquiring his first supply of steel and by doing so he jump-started operations in Damatech. In 2015 Mateja joined him to help lead the company.

The company's foundation - a strong connection to Sweden

Why steel? "My husband is an expert when it comes to using steel in machine manufacturing and in the tool industry," Mateja explains and adds, "by using his vast experience and abilities he was able to form excellent business ties to the Swedish steel plant, SSAB. Their steel represents 80% of our sales. This steel is modern, innovative and all its varieties have outstanding characteristics, ensuring the user has both a good competitive advantage and is able to save money."

Damatech is based in the Slovenian town of Jesenice, but their specialization is such that they are focused on trading in Europe, especially in Austria, where they have set up a branch office, and in Germany. As Mateja puts it, they have managed to form solid business relationships with their clients and have created a strong combination of excellent service and product quality. It is this bond that creates most of their revenue, building trust as a foundation for lasting partnerships.

They began with simple cutting and distribution of heat-treated steel, which has developed into tool manufacturing as molds and in foundry casting of plastics and aluminum. Even more often, their steel is used in machine manufacturing, mostly as machine parts normally exposed to great loads, high pressure and wear, thus presenting a weak link that needs to be changed regularly. "Our biggest buyers are the ones who are aware of the fact that their competitive advantage lies in quality and not in the price," Mateja and Darko Mikec explain.

Currently they have three production lines. The first consists of sales of standard quality steel which is cut with large saws - in fact one of the largest in the area. The second line provides services to customers who come to them with their own material and plans for cutting. These customers include Austrian Ironworks and Acroni Jesenice. The third production line is made up of their own finished and semi-manufactured products.

The selection of cutting machines is also quite impressive, including straight-cutting, shape-cutting and water or plasma jet machines. These are all digitally-controlled, CNC machines which are programmed to produce a finished product at the end of the manufacturing process. The third group of Damatech's mechanical equipment is made up of four CNC-treatment and processing plants where they produce specific machine elements such as industrial knives and axes, usually used as spare parts. With their extremely short delivery times, they have managed to convince even producers who need to supply users with original spare parts at very short notice.

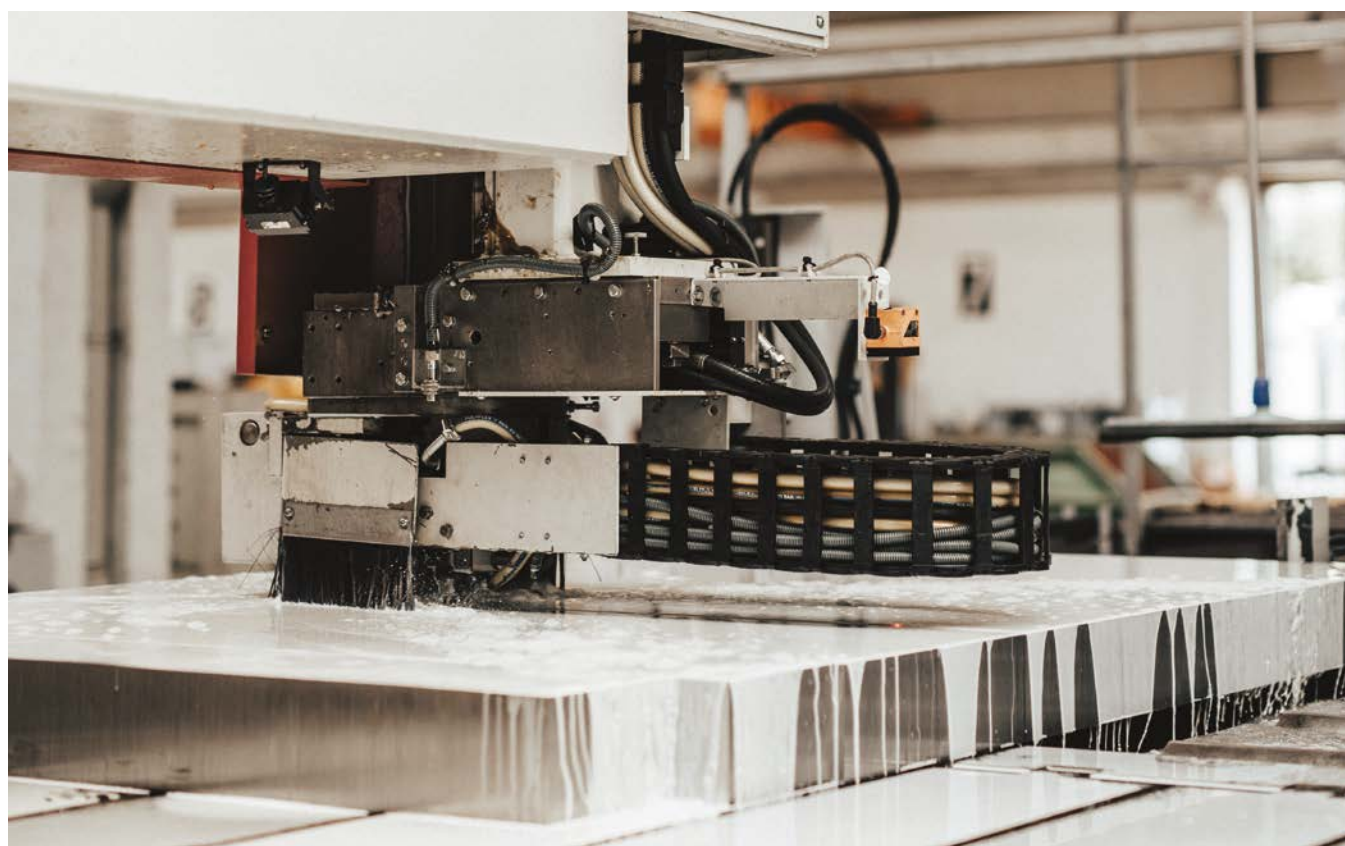


In the warehouse they store mainly heat-treated and wear-resistant steels



With our extremely short delivery times, we have managed to convince even producers who need to supply users with original spare parts at very short notice.

Shipment is ready for dispatch to the customer



Steel cutting in Damatech also takes place on eight band saw blades

Damatech in a nutshell:

family values, responsibility, loyalty, fairness, work ethic

Growth through loyalty and fair relationships

Damatech currently employs 28 people. Darko explains how profiles matching the company's needs are practically non-existent in the job market today and how they need to train their staff themselves. "In order for young people arriving from technical schools to upgrade their general knowledge with more specific knowledge we need to work with them quite a lot. The education process in itself is very lengthy and very demanding. And that is in part why we aim to keep these skilled workers for as long as we possibly can." They strive to be recognized as fair and motivational employers, one of their goals being that the staff search for better wages within the company and not elsewhere.

"We want to offer our employees the best possible working conditions, an optimal wage and good personal relationships. Our values are very traditional and include a good work ethic, loyalty to the company and fairness," Mateja explains. Since they have a high regard for family values they have tried to include the employees' family members into the story as well. This can be seen on various trips and family picnics. "But the simple fact remains, we are business people and in the end the balance sheets need to be positive," says the Deputy Director.

Never let success go to your head

How about members of the family? Their daughter's husband Damir Ejup Mikec joined the company soon after it began. Having a master's degree in Organizational Sciences, he is responsible for managing the ISO 9001-2015 quality standards, shape-cutting and dealing with sub-contractors. Eva Mikec first studied in Austria and then acquired her master's degree in Business Sciences, with an emphasis on family business, from a business school in Germany. She joined the company five years ago and is Head of Internal Sales.

Both owners feel that family members make the most loyal and reliable staff members as they have a special connection to both the work and the company. For them it is not just another job. Eva confirms this and says: "For me it is a pleasure to work in the family business because this enables me to be part of a tradition that began with my parents. Because of this my loyalty and responsibility towards the company are greater." Her husband Damir feels the same and explains how working in a family-run company affects his motivation. "It's not work for the sake of working but work somehow represents family."

In order to be able to draw a line between the affairs of the family and the business, there must be a great deal of emotional intelligence among all the family members. Darko and Mateja Mikec agree that they also had to go through an adjustment period, during which Darko was skeptical that they could both run the company. Mateja points out that they now have their individual functions and she aims to support him in his role as General Director. What is important is to have a strong and balanced personal relationship which then translates into a functioning business relationship.

It requires a great deal of discipline to be able to balance the family and business aspects of life and to avoid spending all your spare time discussing business. It is very important to be around people who are not members of the family business. "The older we get, the greater the need to spend some time away from the company. We have a good team of people around us and we trust our employees. Whenever Eva and Damir are at the company we can be at ease," Mateja explains. "The company is not a member of the family, it is a product of it. Buying bread, so to speak, is never a problem. What is a problem is taking a night off. You can quickly lose yourself in a story of success and let it go to your head. You need to remind yourself to return to being just a regular person who has been fortunate on the one hand and who, on the other, has a great responsibility towards the company and making sure it operates well."

Darko and Mateja Mikec

Co-founders, owners

Company name:	Damatech, d. o. o.
Number of employees (2017):	28
Revenue (2017):	€6.51 million

Logar trade, d. o. o.

Zdravko Logar, CEO

Mateja Logar, Financial and Commercial Manager of Logar trade d.o.o.

Stane Logar, Production Manager

Gašper Logar

With respect for our customers and love for the bees

Slovenians are naturally sympathetic to the art, craft and business of beekeeping. For centuries, they have been familiar with the health and nutritional benefits humans can derive from bees and have diligently nurtured these industrious insects. Therefore, it comes as no surprise that successful production of products related to beekeeping should develop right here on our soil. Logar trade is a family company which commenced this pursuit 40 years ago and today, they are among the finest producers of beekeeping equipment in Europe. They supply state-of-the-art, stainless steel beekeeping equipment, such as honey pourers, storage containers, cookers and accessories for melting and sterilizing wax, plus honeycomb uncapping containers, strainers and filters. Currently, the company is managed by the second generation and they hope that one of their children might decide to continue the tradition.





"The work in our company takes place in symbiosis with the needs and the wishes of our customers."

Zdravko Logar,
CEO



Founder Anton Logar with one of his honey pourers



Logar trade specializes in producing the finest honey pourers and stainless steel beekeeping equipment

Locksmith turned beekeeping innovator

The company's story began in 1979, when Zdravko's father Anton decided to embark on an independent entrepreneurial journey with the support of his wife Ivica. "Before that, he worked as a locksmith, but he found his niche as distributor of a company that marketed beekeeping equipment, which did not exist in Yugoslavia back then, since import opportunities were limited. There were enough orders and enough work for the entire family," remembers Zdravko.

Unfortunately, however, this opportunity did not last, since the market collapsed when Yugoslavia disintegrated. As a result, the Logar family instantly lost all their orders. "It was a huge shock for my father, since he had to fire all eight of his employees. We were facing a challenge, since nobody knew if we would still have the possibility to make a living with our business," explains Zdravko. Luckily, the Austrians invited them to a fair during that period and some buyers were interested in their products.

These buyers, however, were mostly focused on quality, which was sometimes pushed aside in Yugoslavia. "All of a sudden, quality became the main characteristic of our products. In the beginning, we were selling in Austria but soon after, demand for different products began growing in Slovenia as well."

In the mid-1990s, they also began producing stainless steel containers for storing wine and juices, which coincided nicely with the beekeeping season. As they were regularly present at beekeeping trade fairs, they continuously learned about new foreign markets and their demands, with the main breakthroughs being their show at the World Beekeeping Conference in Switzerland, where they acquired their first German buyers, and Slovenia's entry to the EU. "Before that, customs formalities were the deal-breaker for our buyers," explains Mateja. Nowadays, they export 80% of their products, mostly to Germany and Austria, but Logar products are used by amateur and professional beekeepers in more than 40 countries all over the world.

Beekeeping equipment for amateurs and professionals

Logar trade is an extremely niche-oriented business. It deals mainly with the production of beekeeping equipment, first and foremost among which is a range of honey pourers made from stainless steel. "Pourers are devices that allow beekeepers to extract honey from honeycombs by using centrifugal force. We offer 55 different models of pourers that can be used by amateur and professional beekeepers alike. Beekeeping differs from one region to another, and the size of beekeepers' honeycombs is different as well." They also created a custom-made honey pourer for an extremely special customer: "We made a pourer for the former Ukrainian president Viktor Louchtchenko, who is an avid beekeeper."

Between 2012 and 2017, they recorded enviable growth of 70%; last year alone, they created turnover of €3.5 million and profit of €0.5 million. One of the company values is sustainable growth, as they are aware that growing too quickly can have associated issues. According to Zdravko, the greatest leap forward occurred at the beginning of the century. "In 2001, we bought land, and in 2005, we moved to new locations in the Šenčur Business Park. Here, we constructed a building with over 2,000 m² of usable area. Moving to a new location granted us the possibility of growing and increasing our production, which is actually taking place in symbiosis with the needs and the wishes of our customers." Key ingredients for speedy growth are quality, responsiveness to customers' needs, promotion in foreign markets, innovation, and focus on products with a higher added value that are sold abroad. There are 25 people working in the company, the majority of them from the surrounding area.



The team is the driver of the company

Logar products are being used by amateur and professional beekeepers in more than 40 countries all over the world.



The company was nominated for the Gorenjska region Gazelle award in 2018



Headquarters of Logar trade in Šenčur

Logar trade in a nutshell:

quality, entrepreneurship, diligence, tradition, integrity

Symbiosis of the company and the family

Since its inception, the Logar family's lives have been interconnected with the company. "We, the family members, continue the business started by my father. My wife Mateja and I are employed by the company - she is the Financial and Commercial Manager, whereas my brother Stane is the Production Manager and we continue the work. My brother and I are used to the company, since we have been a part of it ever since we were little. Our sister Vesna chose to continue her life path in another career. We are counting on the fact that our children will also wish to continue leading the company. However, they are absolutely free to make their own way in their future," says Zdravko. Mateja and Zdravko have three children who have been accompanying them on international and domestic fairs since they were small. Eventually, Stane's children might want to join in as well, but again, it is their decision.

"My son Gašper finds working in the company gratifying. He wanted to start up his own little business when he was only 12 years old. At that time, a business partner from Greece, whose products we represent in the Slovenian market, applied to run a stand on a fair we attend every year; however, he cancelled his participation at the last minute. We didn't have a member of staff who could take over his stand. Gašper stepped in and decided he wanted to sell by himself - with some technical assistance, of course. Ever since, he's got a part of the stand to himself every year, because he wants to be independent. Even our Greek partner said that, thanks to Gašper, he no longer needs to come to Slovenia to attend such events," says Mateja, describing her son's affinity for the business.

Quality always comes first

The company puts a strong emphasis on quality, which is one of the main reasons for their success. The other key element is the systematic construction of their own internationally recognizable brand. "Each one of our products has our logo etched on it. We created a good brand with our quality, responsiveness, innovation, being present at international fairs, and constantly implementing the agreed-upon tasks."

Zdravko pays a lot of attention to respecting buyers, suppliers, and employees. "All suppliers need to be respected, and since the beginning,

we've been paying our bills on time. If a payment deadline is agreed upon, the issue must be settled on that date. The same goes for our relationship with employees. They have to be paid fairly and rewarded for their work; only then can you expect a sense of loyalty, creativity, and innovation from them."

Beekeeping tourists prefer to see the company rather than visit Bled

Beekeeping tourism is developing significantly in Slovenia. Beekeepers from abroad like to visit other countries and see our beekeeping methods and the country. "As producers, we're extremely interesting for them, so we welcome a couple of buses filled with beekeepers every year. The story of the Lithuanian beekeepers is an especially interesting one. Their schedule was extremely busy and in the end, they had to choose between going to Bled or visiting us. They preferred to come and see us, our company and our store; we also introduced them to the way we work and explained our history to them. These are all potential customers, so that is also one of the ways we promote our company," says Zdravko.

Zdravko Logar

Owner

Company name: **Logar trade, d. o. o.**

Number of employees (2017): **25**

Revenue (2017): **€3.5 million**

Marmor Hotavlje, d. o. o.

Franc Branko Selak, CEO of Marmor

Damijan Selak, Executive Director

Tomaž Selak, Executive Director

Marmor Hotavlje: Solid as a rock

Stone is so much more than just a building material and some of mankind's grandest monuments have been created from it. Its properties are exceptional—it may be solid and sharp, soft and smooth, warm, snow-white or colorful, yet always magnificent, unique and timeless. It often requires significant expertise and surgical precision to transform, capabilities which are only attained by masters of their craft. Such people are to be found in the family company Marmor Hotavlje, which was founded in 1948, when the workshops at the foot of the Hotavlje quarry joined together.

However, the stonemasonry tradition in the region of Hotavlje began much earlier - 1721 is inscribed into one of its oldest stone portals. The knowledge, skills and genuine love for stone cutting and shaping have been passed down through generations of local stonemasons. The marble of Hotavlje, Hotaveljčan, characterized by its unique color variation, is the traditional home source and flagship product of the company, although their diverse projects now demand that they purchase a wide variety of stone worldwide.

By following a clear vision supported by hard work, Marmor Hotavlje, which commemorates its 70th anniversary this year, has established itself as one of the world's leading stone processing companies. Today, almost 130 employees are involved in the provision of comprehensive premium quality services - from the engineering team, technologists, architects and designers to the master stonemasons and other experts. *"The people at Marmor Hotavlje are what makes the company different; we are at the core of everything we do. We operate as a strong and connected team in which we realise that every step is important for making a good finished product,"* says Franc Branko Selak, CEO.





“The people at Marmor Hotavlje are what makes the company different; we are at the core of everything we do. We operate as a strong and connected team in which we realise that every step is important for making a good finished product,”

Franc Branko Selak,
CEO



Technologists translate the idea of architects and designers into precise plans and models that allow clients a vision of the final product before the first cut

Furnishing luxury construction projects with stone

“Our advantage lies in offering comprehensive services to our clients—from the concept to the finished product. We make use of modern technology, which requires highly qualified co-workers. Despite all the technology, the skilful hands of a stonemason are irreplaceable. As a company, we take pride in achieving the perfect combination of both; all with a hint of development, new innovative solutions and approaches because we are aware that this is the only way to bring stone processing to perfection,” continues Branko’s son Damijan, an Executive Director.

“A strong team of technologists offer essential support to our master stonemasons, who develop the best solutions and provide a smooth workflow at all stages. Technologists are the link between the client and

the contractor. Our projects are fully transparent; it’s very important that the client is involved in the work process at all stages of creation,” confirms Branko’s other son Tomaž, also an Executive Director.

The company uses stone to furnish mega yachts, luxury villas, hotels, plus other commercial and residential buildings, in the form of furniture, exclusive products and other works of art. “One of our important tasks is to restore and preserve cultural heritage,” adds Tomaž, who continues: “Performing stonemasonry work is difficult, especially on yachts, where specific limitations of space and weight apply. We use special techniques for our products that give the appearance of solid stone, but they are actually very light. We are conscious of our knowledge, experience and capabilities, and that is precisely why we focus on the most demanding projects.”

Reascending the Olympus of stonemasons

“Soon, I’ll have been in this company for 50 years. I’m proud to say that we’ve transformed the once hard physical labor into an art. We are among the first in the world to have used a computer-controlled machine for stone processing, and we are also among the first in our profession to have begun forming serious connections abroad,” explains Franc. Different periods brought about different challenges and sometimes even ordeals. One of them happened not too long ago: “Due to the collapse of the construction market between 2008 and 2013, Marmor Hotavlje wrote off more than the annual turnover. In such a case, any company would close its doors, but not us. Not just as a company but also as a family, we knew that there was only one way and took upon ourselves a heavy burden. All subcontractors were paid off, no salary payment in the company was ever missed and nobody lost their job. We had to start again from scratch,” the Selaks remember. This new beginning bore a new success: today, they are the leading company in the most challenging segments of stonemasonry; they have attained the status of a development company. They cooperate with renowned names from the world of trade, show business, design and architecture as well as the most prestigious furniture makers and artists.



Marmor Hotavlje is closely linked with the local environment

“Our family has always lived with stone. We all know how to work, but we’re very different from each other. This has its advantages and drawbacks. But when we sat down at the table back then, we were always unified,” remembers Franc. “We know well enough that this company is one big family, where we stick together through thick and thin. It’s the owners’ job to make sure that the good times prevail,” adds Damijan proudly and goes on to say: “Focussing on the areas where our knowledge and experience are appreciated and for which the buyers are willing to pay was the right decision.”

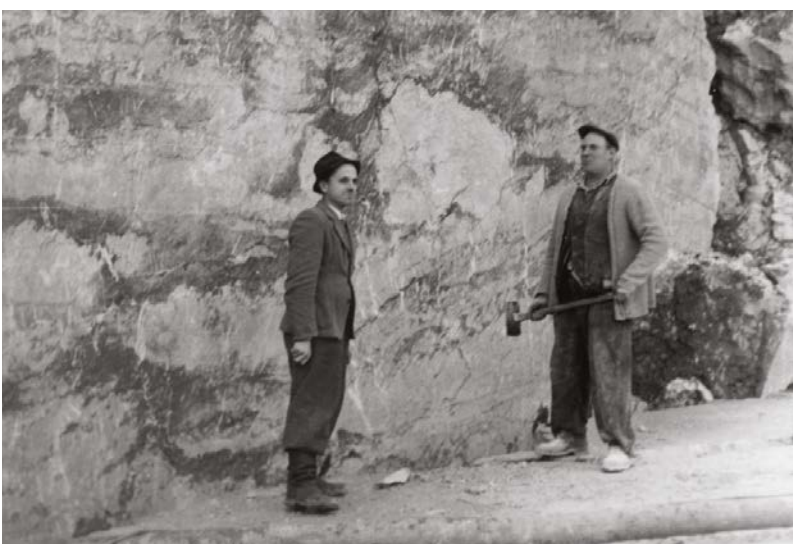
Today, they say they are involved in projects the likes of which previously they could only dream about. No luxury vessels are built in Europe without Marmor Hotavlje having the chance to submit their tender. Since 2000, they have participated in over 100 mega yacht projects including the construction of the largest and most prestigious private yacht in the world, measuring 180m in length. Currently, they will be able to stay in business in this market niche at least until 2023. The company moved to the yacht equipment market and thus switched from the building industry to the area of engineering. “We are a company with a high added value, working mostly on unique and demanding products,” says Tomaž.



Since 2000, they have participated in over 100 mega yacht projects



Knowledge, skills and genuine love for stone cutting and shaping have been passed down through generations of local stonemasons



A stonemasonry tradition already existed in the Hotavlje region in 1721



The company was founded in 1948, when the workshops at the foot of the Hotavlje quarry joined together

Marmor Hotavlje in a nutshell:

common goal, future, development, vision, cooperation

Cooperation and trust is key

All 126 employees in the company know each other by name. They also bond with each other outside of the company, whether at sports or cultural events. "Our office is always open," say the brothers and add that without the right people and their trust, they would not be able to carry out the essential projects. The employees are thus entrusted with extremely important projects which may sometimes be worth several million euros. "Presently, we have at least 10 major projects on which all teams must coordinate and work as one - this includes technology, sales, procurement, manufacture and assembly. We have a great duty and responsibility towards our employees. Based on our past experience, present tasks and future challenges, we have assembled a strong team in which every team member is crucial," explains Tomaž.

Upon celebrating their 70th anniversary, clients from around the world paid them a visit. "That evening, at least 10 people came to me who told me that

I didn't even realise what we had, operating that kind of family business," remembers Tomaž. However, running a family business is not easy because it is necessary to align business and family relations and at the same time find a way to unite people with different personalities to search for joint decisions. Even though they sometimes have different opinions about decisions, Tomaž and Damijan always appear before the employees as a resolute pair.

The ownership of the company is now in the hands of the father, Franc, mother, Ana, and sons, Damijan and Tomaž. Franc trusts his sons completely. Although he does not interfere with the company's business, Franc is still very active as he is currently dealing with the challenges of subsidiaries in Serbia, Bosnia and Herzegovina, and Montenegro. "There has been and will be plenty of challenges for all of us," the Selaks confirm in agreement.

Our family has lived with stone our entire life. We know how to take up the work. We differ from each other characteristically, but we all possess the common stonemasonry gene.

Ana, Damijan, Franc and Tomaž Selak

Co-owners

Company name: **Marmor Hotavlje, d. o. o.**

Number of employees (2017): **126**

Revenue (2017): **€12.5 million**

Oblak Group, d. o. o.

Bogdan Oblak, owner and Director

Neva Oblak, Deputy Director

Blaž Oblak, Deputy Director

Tajda Oblak Lukan, Deputy Director

Teja Oblak Tršar, Deputy Director

Fifth Oblak family generation cherishes their ancestors' vision

Bogdan Oblak, owner and Director of the Oblak Group company, has entrepreneurial roots dating, remarkably, back to the 18th century, since when five generations of his family have worked as craftsmen and entrepreneurs in the Logatec area. A new chapter in their history is now taking shape, as Bogdan and his wife Neva prepare to gradually transfer the family business, within the next five years or so, to their children Blaž, Teja and Tajda. The company's core business, and main investment area in recent years, is a range of concrete products, including paving stones, used in landscaping. Additionally, they receive revenue from the wholesale of cosmetics, including the prestigious Valmont and Ren brands. Besides the Oblak Group, Bogdan owns two other companies and a sole proprietorship. The entire group of companies generated €12.5 million of revenues last year, of which just under €10 million was earned by Oblak Group. *"We are the only enterprise in Slovenia using two state-of-the-art production lines: the first one runs 24 hours a day and the other one on two shifts,"* explains Bogdan. As much as 98% of the output is sold wholesale to traders. The family is striving to advance the company's recognition and thus, they have embarked on the first phase of a €2.5 million investment to update the first of their production lines.





“An entrepreneurial family should have clearly defined values where family has priority above all else. If you can achieve this, you can spend your nights and weekends at home surrounded by your children and grandchildren.”

Bogdan Oblak,
owner and Director



The company holds the largest market share in the segment of concrete paving



Oblak Group is the only enterprise in Slovenia using two state-of-the-art production lines

Entrepreneurial blood flowing through the veins

The Chronicle of the Oblak Family refers to 1901 as the year when the family moved to Logatec and began manufacturing products made from concrete. At the turn of the century concrete was a new and highly versatile material, while sand was precious, since in combination with cement it became so durable. The company's first product was a concrete roof tile.

To return to the very beginning, the first recorded mention of the Oblak family was in 1754. Bogdan's ancestors were master clockmakers and his great-grandfather Matevž Oblak signed his name under the clocks at the University of Ljubljana and the Cathedral in Cologne. At the end of the 19th century, when watchmakers were going through rough times and the use of concrete was on the rise, Bogdan's great-grandfather seized the opportunity offered by the new material. Although their product portfolio went through periods of expansion and decline, concrete roof tiles remained the company's core product until 1986.

Due to restrictions imposed on craftsmen's businesses in the former Yugoslavia, at the time the scope for development was very restricted.

Nevertheless, in the 1960s Bogdan's father embarked on the difficult task of automating the manufacturing process. "We purchased, and over a period of two years gradually imported, two second-hand machines from Germany to Slovenia, under the pretence of importing spare parts for our existing machine," remembers Bogdan. Thus, in 1980, they introduced semi-automated treatment of concrete paving stones of the typical H-shape, which proved to be a hit. "Even now, the largest H-shaped paving stone in the world, weighing six tons and made to a 1:20 scale sits at the entrance to the company's premises. My employees made it without my knowledge on the occasion of my 50th birthday," explains Bogdan.

Bogdan established the company in December 1989, but it was Slovenia's declaration of independence that brought enormous changes to the family business. "I felt that I had learned everything I could about products made from concrete and I was looking for a new challenge. In cooperation with one of my friends, who was engaged in the sale of cosmetics, I tried our hand at selling mosquito repellent. As the product proved popular and the sales sky-rocketed, we expanded our range of imported cosmetic products," Bogdan recalls of the beginnings of the business. Today, wholesale of cosmetics generates around one million euros of revenue per year.

Investments worth millions of euros have placed the company among the largest in Slovenia

In 1996, Bogdan acquired a failed construction company and concrete making facility in the location where the company's premises stand today. By investing in the development of the concrete plant and introducing automated production of concrete paving stones, the business earned its place among the three largest manufacturers of concrete products in Slovenia. A relatively high production capacity allowed them to store a large selection of products in the warehouse at the time when the generally established building material sales model failed to perform at its best. To solve the problem, the family drew on experience from the wholesale of cosmetics and employed it in the marketing of products made from concrete. In 2002, their products appeared for the first time on the shelves of Merkur, which was at the time a major retailer of construction materials in Slovenia. This was confirmation that the new business model was working efficiently.

The company soon realized that the existing capacities were too small and it was decided to make a €7 million investment in machinery and production facilities. The decision was taken just before the onset of the economic crisis. "In 2010 we were unable to repay the bank loan we

raised, so we entered into a loan restructuring agreement, which helped us to successfully overcome the crisis. This was certainly a lesson we shall never forget. Among other things, we learned to appreciate the help of banks. A fair and honest approach, continual communication, along with regular monthly loan repayments, be they of a single cent, are what is important when dealing with banks," explains Bogdan. "Our intentions when raising the loan were honorable and we wanted to use the funds to further our business. Thus, we continued to make fair payments to our employees and suppliers, and repaid what we owed to banks."

Today the company holds the largest market share in the segment of concrete paving, and they rank among the top three manufacturers of concrete kerbs. Currently, they are planning an investment of €2.5 million in the modernization of the first production line. However, under the principle of prudence, the investment is to be implemented in several phases.

In the future, they plan to upgrade their core activity with a comprehensive set of landscaping services ranging from setting up lighting devices for illumination of yards, houses and ornamental shrubs, to installing grass irrigation devices, garden furniture, playground equipment and ornamental sand. Their business model is based on that of filling stations, which manage to achieve the largest profit margin through an additional range of products and services.



In the future, they plan to upgrade their core activity into a comprehensive range of landscaping services



They plan to invest €2.5 million in modernizing their first production line

I strive for all our employees to trust me and to be able to turn to me for advice when they are in trouble or have a bad day. I have worked hard to earn their trust.



The company's core business, and main investment area, is a range of concrete products, including paving stones used in landscaping

Oblak Group in a nutshell:

family, tradition, positive attitude towards employees, honesty, respect

Family is by far the most precious

What does Bogdan value above all? "Family, family and again family, followed by the company and employees. You cannot buy a family. An entrepreneurial family should have clearly defined values where family has priority above all else. If you can achieve this, you can spend your nights and weekends at home surrounded by your children and grandchildren."

"Difference of opinion is part of everyday family and business life. However, if you value your family and business equally, this can lead to even greater potential for disagreements. Good communication and mutual respect prevent disagreements escalating to the point when they become difficult to resolve, driving a wedge between family members."

Bogdan and Neva's son Blaž is a construction engineer, while their daughters Tajda and Tea are masters of economics. Both mum and dad are expected to retire from the family business within five years. Bogdan explains: "When we decided to transfer the business to a new generation, we were under the impression that the entire process was clear to everyone. Alas, in reality, things are not that simple and hence, we opted for a gradual transfer. One of the challenges was to divide management tasks between all three children." To achieve this, the business was divided into production, marketing and management.

Blaž is Director of Production, Development and Quality and has worked in the company for 10 years. Bogdan believes that his youngest daughter Tajda is best suited to the management function and is set to assume financial and human resources management and act as the company's representative. His other daughter Teja, who has worked in the company for seven years, will assume responsibility for marketing of the entire production range of all the companies within the Oblak Group, including procurement, import and sales. "The sixth generation of the Oblak family is already growing, making its present felt. We have six grandchildren (one granddaughter and five grandsons), and the seventh grandchild is on the way. We shall love it dearly be it a girl or a boy, and we are hopeful that he or she is healthy and well." proudly explains Bogdan.

Business model the competition could not copy

The right attitude towards business partners, customers and employees is what counts most in business. "You should at all times be frank and honest, while focussing on after-sale services. The latter is more important than the sale itself," asserts Bogdan. Despite fierce market competition, in the past 18 years they have based their business on the principle of "selling rather than merely making a sale". Bogdan explains: "Unlike some of our competitors, who tried to copy our approach, we have succeeded in building a trustworthy relationship with traders we work with. Our sales function is well-organized and we regularly run training courses for our customers and meet with them in person. However, while caring for our customers, we never forget that our own story also matters." A significant proportion of their sales are also made in Austrian Carinthia and despite foreign competition, they are the second largest player on the Croatian market. In addition, they have a representative office in Montenegro.

Bogdan emphasizes that while nowadays it is comparatively easy to invest in machinery, it is much more difficult to find a good, reliable workforce and he believes that the employees are a much more significant success factor than machinery. He treats his employees with utmost respect, although a third of them are his children's age. "I strive for all our employees to trust me and to be able to turn to me for advice when they are in trouble or have a bad day. I have worked hard to earn their trust and I know that without it, no monetary reward is large enough to secure your workforce's loyalty to the company."

Bogdan Oblak

Owner and Director

Company name: **Oblak Group, d. o. o.**

Number of employees (2018): **65**

Revenue (2017): **€9.81 million**

Pivovarna Pelicon, d. o. o.

Matej Pelicon, co-founder and Head Brewer

Anita Lozar, co-founder and Head of Development

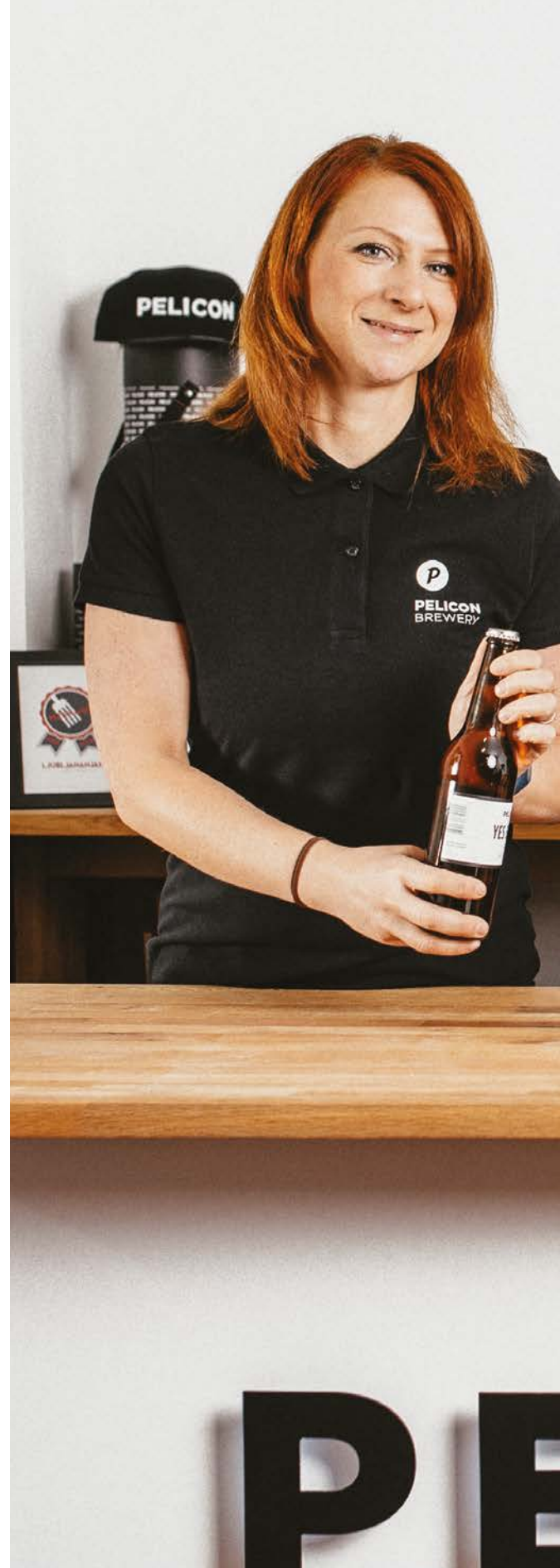
Anita Pelicon, customer relations

Mitja Lozar, delivery and assembly of draft beer systems

A self-taught brewer and a graphic designer - pushing the boundaries with their craft beer

The first bottle of craft beer from Ajdovščina-based brewery Pivovarna Pelicon appeared on the market five years ago. Only a year later, beer lovers voted it Slovenian brewery of the year, an award which was retained for the following two years. Last year their Pelicon Coffee Stout won a silver medal at the Beer World Championship in the Czech Republic. To round off the year's success, both founders, 31-year-olds Matej Pelicon and Anita Lozar, received another prestigious award as Mladi podjetnik leta 2017 - young entrepreneur of the year. In 2015 they brewed a total of 60,000 liters of beer, a year later that number doubled and this past year it reached 150,000 liters. Since their current facility is proving to be slightly cramped, they are searching for a larger production site. In the years to come Pivovarna Pelicon aims to become the largest craft brewery in the region, ownership of which will be completely in the hands of its employees.

According to Matej and Anita, the company will include a chain of specialized stores, bars and restaurants where beer lovers will get a chance to indulge themselves in a unique combination of food and beer. But, as they say, they are currently weighing up at least 10 different options. *"What comes first is quality, well-balanced, elegant and drinkable beer. Everything else comes after,"* they both point out.





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“Our entire profit goes into investing into new technologies which are then regularly implemented in the production process. Our line of business is extremely intense and requires a lot of capital.”

Matej Pelicon, co-founder and Head Brewer

PELLICON



Their main focus is on the quality of product and the creative development of new recipes

Initial brewing attempts were in marmalade jars

Matej is a self-taught brewer. He began brewing out of his own enthusiasm for beer, particularly the kind that was not available at that time on the Slovenian market. "For five or six years I made beer at home in marmalade jars. And then I decided to take a step forward. I said I wanted to open a brewery, my family supported me and so we began," is how he remembers the beginning.

In 2012 they attempted to obtain the necessary investment funds through a campaign on Kickstarter, but with little success. "We were very naive about it. Just because it was interesting," Anita explains. "But our efforts didn't go unnoticed. The response we got from the media and from the market was surprising. We received many calls, invitations and questions about our beer... We started the company with our own savings and the help of our families. We found a spot for it and then we began."

Matej adds: "We didn't know a thing. We learned through trial and error. And we asked a lot of questions." They both point out that they mostly

followed their gut feeling and that is still how they make their decisions today. They are persistent and not easily satisfied. They always wonder what can be improved and how it can be made better.

When you don't know something, you call your father

The company that the owners consider to be a family business now employs six people. Matej Pelicon is the Head Brewer and in charge of the entire brewing process. Anita Lozar, who has a degree in Graphic Design, acts as a link between different processes and takes care of all the company's administration and marketing. Two additional family members are involved in the business - Matej's sister-in-law Anita Pelicon (Head of Sales) and Anita Lozar's father, who is in charge of assembling draft beer systems and supervising deliveries.

"Family members are the most reliable people. When you're in doubt over hiring people, how to manage a team... as we were when we started out...

you just call up your dad to help you out,” as they both admit and add: “We ask our families for their opinions but in the end we always do what feels right to us.”

The parents of both used to be entrepreneurs and the local climate surrounding Ajdovščina has, for the past decades, been very much business oriented. Because of this they are both aware of how much sacrifice and effort goes into having your own company and they point out that you really need to put 100% into your idea. “You can’t just give it a shot while having two more jobs on the side,” Anita explains. Matej follows by adding: “We still spend a lot of time at the company. It’s our way of life.” It is clear that they are both extremely proud of their story.

A collection that won't bore you

“We brew beers that are unfiltered, unpasteurized and full of flavor; beers that we like to drink ourselves. Our main focus goes towards quality of product and the creative development of new recipes. We want to become better with each new brewing process and we would like to get as many people as possible excited about this new beer wave.”

“When you’ve had one beer you’ll want another,” the owners explain and add that everything is connected to the beer drinking culture itself. “You

taste different varieties of beer, enjoy the company of other people and you drink responsibly - you listen to what your body tells you.”

They currently offer 16 varieties of beer. As Anita puts it, until now they have been working on a standard, classic collection. They are most recognized for The 3rd Pill (India Pale Ale) which won two awards in 2014 and was also named best Slovenian beer. Out of China (hoppy red ale) has a name whose pronunciation is similar to that of Ajdovščina. This red beer is made of water from the Hubelj river, barley malt, oatflakes and Slovenian hops. “Quality ingredients and good suppliers are a must. Our basic ingredient is water from the spring of the river Hubelj. Most of the hops come from Slovenia and are prepared according to the highest quality standards - one of the suppliers even grows biodynamic hops. The rest of the ingredients we get from different countries where they already have an established brewing tradition. By doing this we are able to get unique flavors.”

They want beer lovers to be surprised, not bored. That is why they make Summer Ale, a beer with ginger and coriander, annually just before summer, to accompany warm-weather relaxation. Another example is the Winter limited edition, released on 1 December, which is a classic dark winter-brew and comes gift-wrapped by hand. There is also Imperial Coffee Stout, a dark beer containing Marcala Honduras coffee. These are just a few from the list of special beers.



Founders Matej Pelicon and Anita Lozar received the prestigious award as young entrepreneurs of the year 2017 awarded by Zavod mladi podjetnik



They want beer lovers to be surprised, not bored



Besides having cutting-edge equipment, the company also has very good quality control



Last year they brewed 150,000 liters of beer

We want to do it all and we want to do it in the best possible way and at the same time differently from everyone else.

Pivovarna Pelicon in a nutshell:

quality, commitment, persistence, difference, inclusion

"The flavors are very different. From lighter varieties to more caramel, bitter, fruity, coffee-flavored and also some with a fresher flavor. It's quite difficult to get the balance between the bitterness, alcohol and acidity," Matej explains. Anita adds that one of the best feelings is knowing what you want and getting it. "Although we have very different personalities we are completely in sync when it comes to beer. We both immediately know when a beer is drinkable." It takes time to develop a new flavor and then to put it onto the market. Besides having cutting-edge equipment, the company also has very good quality control.

Good people drink good beer

Matej and Anita put it like this. "We want to be a good company and not just a good brewery. We aim to take care of our clients, our beer, we want to be accessible. We want to do all of that and we want to do it in the best possible way and at the same time differently from everyone else."

And different they are. Via the company's website, beer lovers are provided with the option of a monthly subscription, which includes a box of 24 bottles, delivered free. They can also buy tickets for Pivomania, an annual festival first organized five years ago to showcase their beer and celebrate the company's birthday.

Social media, events, on-line sales, specialized stores, small buyers and export with the help of friends, together form the promotional and sales story of Pivovarna Pelicon. They have decided to grow at a slow pace. For five years they have built their sales mainly by servicing selected hotels, restaurants and shops specializing in craft beers. Only this year they decided that they could begin supplying beer to big supermarket chains such as Spar and E. Leclerc.

"We are young. The internet and social media provide a way of communicating that we can relate to. And it's also very available," says Anita. "People comment and like to post which beer are they having and where, so they send their regards from the seaside or from picnics. That kind of connection is more personal, relaxed and inclusive, and it helps to build a community. Good people drink good beer."

Craft beer boom

Craft beers form approximately 2% of the Slovenian beer market. As Anita sees it, the Slovenian beer market provides many opportunities for the expansion of craft beer. "Craft brewing is a collection of styles that come with certain rules, which can be broken. You can change one of the ingredients, make hybrids; it depends on the creativity and vision of the brewer."

Five years ago, when the company was starting out, there were a few craft breweries already present in Slovenia. They all know each other and socialize together. The founders do not agree that they started the company at just the right time. "We feel that the trend was started by small brewers and beer lovers. We showed them our vision on one hand and they were willing to try something new and different on the other."

This year, as they celebrate their fifth anniversary, they have begun to collaborate with other brewers from the Vipava valley, as well as with some from Poland and New Zealand. "These are friendly connections. Business has to bring you joy, otherwise the beer isn't good. What I like the most is seeing people who are content, are drinking our beer and just having a blast with others," Matej Pelicon concludes.

Matej Pelicon, Anita Lozar

Co-founders, owners

Company name: **Pivovarna Pelicon, d. o. o.**

Number of employees (2017): **6**

Revenue (2017): **€464,179**

Polycom Škofja Loka, d. o. o.

Iztok Stanonik, Co-owner and Managing Director

Igor Stanonik, Co-owner and Managing Director

Polycom - Formula One level innovators

The story of the Polycom family company is one of two brothers, Izток and Igor Stanonik. It began in 1985, when Izток decided to start a business in the basement of the family house in Škofja Loka, making plastic furniture handles with a manual injection moulding machine.

The business took off and after only a year the garage space became too cramped. Because Igor also wanted to start up in business, the family was confronted with a dilemma. Should the brothers maintain separate entrepreneurial paths or join forces in one company? With the generous financial and moral support of their parents, they decided on the latter. As Igor recounts, he always wanted to manage a company, but ideally not alone, *"... as it was necessary to make the transition from trade craftsmanship into entrepreneurship, which is not an easy task."* The nature of their business and kinship of the brothers are embodied in the company name, where "Poly" refers to the material used and "com" represents the involvement of both brothers, as they are each other's wingmen or "companions".

After 30 years, Polycom today operates at two production sites, in Poljane nad Škofjo Loko and Črnomelj, and has more than 270 employees. In 2017, they improved on their previous year's revenue by almost by a quarter, to €31.2 million. Izток's daughters Špela and Diana are also company employees and his son Grega is being gradually introduced. Having completed studies at the Faculty of Mechanical Engineering in Ljubljana, he will next pursue MBA studies in the USA. Pride and interest in the company is shown even by Igor's 18-year-old daughter Maša, while elder Tija already works there.





"We are repeatedly excited about the ideas, stories and achievements of mankind. Only together are we enough strong to go beyond the limit."

Iztok and Igor Stanonik,
Co-owners



Iztok and Igor with their parents



Tool for production of the first Polycom product - hygienic cigarette extinguisher

First two challenges: cigarette extinguishers and furniture handles

The first business idea the brothers and their father Vinko came up with, production of cigarette extinguishers, struck them when they were visiting their relatives in Vienna. The product, which was on their uncle's table, seemed peculiar enough, so they decided to begin manufacturing it in order to "make a buck". They tried, but the project did not come to life. Despite this, it got their creativity rolling and they continued searching for new opportunities.

It all started happening very quickly when the two brothers attended a Sunday lunch and learnt from their friend, a purchaser at the Lesnina company, that they were looking for a cheaper alternative to wooden furniture handles. "In a week, we came to him with an idea and price. And so we started the work," recall the brothers of the beginning. The handles were manufactured for the Brest company and they agreed a good price; but then came the time to make the next step forward.

"The competition in the handle manufacturing business was too fierce, so there was no perspective. Therefore, in 1990 we started looking for new opportunities and entered the automotive industry. We were acquiring new customers, one after another."

Although the competition is also intense in the automotive industry, they are one step ahead of the rest due to their innovation, quality and speedy development of new solutions. They are manufacturing more and more complex and demanding products. "We showed one global company, who had only two suppliers of special gears until last year, that we were able to manufacture them as well. We surprised them and became their third biggest supplier," explains Iztok.

How do the development and manufacturing processes at Polycom work? They get a range of requirements from the customer, based on which they make a prototype. When the buyer confirms the order, they produce a tool in their own tool room, and then they automate the process in the automation department. They conduct the entire process independently, from concept to product. Consequently, they are faster than their competitors, they get ahead of deadlines, and are therefore additionally rewarded with higher prices, which are also reflected in their employees' salaries. The brothers place a high value on their people and their knowledge. "Our employees are our advantage, namely their skills and knowledge. We encourage them to take the initiative for their own development within the company," they explain.

Their business volume increases from year to year. Last year, their revenue amounted to €31.2 million, which is 24.7% greater than in 2016. Net profit amounted to almost €1.9 million. With 10 large customers, they achieve an 80% share of revenue, mostly in the automotive industry, and 70% of revenue is generated in foreign markets.

Their strategic orientation is toward the globalization of services, developing new tools and injection moulding of complex technical products for the automotive industry, compressor technology, electrical engineering and electronics. "If we want to be competitive, we must have the most state-of-the-art technology. For the last two years, we have been 'cleaning out' the list of our customers, particularly those requiring less complex products, produced in smaller batches."

Younger generation already fully engaged in the family business

"In 1990, we established Polycom Škofja Loka, d.o.o., but even then we insisted on the status of individual entrepreneurs, as in our opinion

our income was too low to conduct the business operation as a limited liability company (d.o.o.). Ten years later, we finally closed the individual entrepreneurship and between 2003 and 2005, we also arranged equity shares in the company. My brother and I are now co-owners of the company in the ratio of 60 to 40," explains Iztok.

Today, the younger generation of the Stanonik family is already employed in the company. Iztok's older daughter Diana achieved a master's degree and works in sales, and the younger daughter Špela is in charge of contractual relationships in the HR department. Nevertheless, Igor's 18-year-old daughter Maša sees herself at Polycom in the future, while elder Tija is already employed in the HR department.

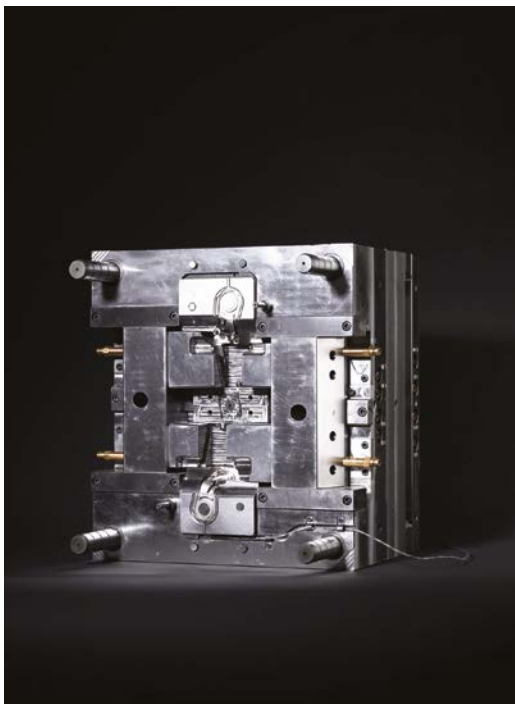
Iztok's son Grega has been part of the company since his early youth, and is already thoroughly acquainted with the production department. He is now gradually learning about management functions, but still wants to pursue MBA studies in the USA.



Younger generation of the Stanonik family is already employed in the company



Skills, energy and the knowledge of employees ensure Polycom's path to success



Tool for processing thermoplastics



A group of products for the automotive and electrical industries

Polycom in a nutshell:

speed, quality, diligence, social responsibility, respect

Competitive advantage of people and their knowledge

In the opinion of the brothers, it is very important to have consideration for other people: "to listen to them, even if we think otherwise. The success is to connect the people." And they connect them so well that their employees are real ambassadors for the company, recommending new employees.

It is also important which people they employ. "You need to have a 'knack' in order to find out who is an actor, and who is a bee (hard-working and less talkative), who is decisive, who is able to talk and who is able to do. The company needs a mixture of everything in the right places," declares Iztok, who knows employees by sight, but unfortunately no longer by name. Since the company now has more than 200 employees, he is only involved in the recruitment process when middle and top management are selected, while hiring of manufacturing workers is left to production managers.

You must not get big-headed and you have to be open to everything - this is the only way to achieve good communication with people, and also to ensure the company's success.

Polycom is also strongly tied to the local environment, the Poljane Valley, operating in both a socially and environmentally responsible manner. They live with the place and for the place. "We are the largest employer in the municipality and sponsor events in Poljane." Local inhabitants are equally enthusiastic; this year, the "Open Doors Day" welcomed 1600 people, when they were expecting just 300. "They were impressed by the machines, robots and modern manufacturing processes. They felt that this is a company that lives with the people. We are always emphasising that we are only the physical owners of the company, but we would not have managed to make the Polycom story as big as it is without such employees," say Igor and Iztok.

Their future, the two co-owners say, is outlined very well. They are hoping that the market continues without major disruption. "We have invested a lot in the development and I think that we have outlined an excellent future," says Igor, and Iztok adds that the most prominent concern is stable 10% growth and the satisfaction of the employees.

Iztok and Igor Stanonik

Co-owners

Company name:	Polycom, predelava plastičnih mas in orodjarstvo Škofja Loka, d. o. o.
Number of employees (2017):	248
Revenue (2017):	€31.22 million

Rigo, d. o. o.

Samo Godnič, Owner and General Manager

Lilijana Godnič, co-owner and Head of Finance

Marjan Godnič, Founder

Rigo from Kras - a crucial part of the international fashion industry

For nearly three decades, the Godnič family's company Rigo, from Komen in the Kras region, has sold and repaired machinery for working with textiles and leather. The company name combines the first two letters of the names of both former owners, the Italian company Rimoldi and the Godnič family. Just nine workers, employed in the parent company, now annually account for €4.5 million in revenue, while the whole Rigo group, also including Rigo International (Serbia) and Rigo Retex (FYR Macedonia), which employs an additional 20 people, each year generates an estimated €6 million. A young company, with an average employee age of just over 30, their commitment to high quality and technical excellence has made them the only textile company in Slovenia to regularly win the Gazela prize. General Manager Samo Godnič gives an introduction to the unique nature of the business: *"Since there is no official training for our line of work we need to train our staff ourselves. Each new person needs to learn everything from the beginning and we do that in our own way. When we connect, that person becomes a part of the team. We are, in effect, a very specific type of company and sewing machines are technologically very complex."* Since their machines are used by some of the world's biggest fashion giants, they think of themselves as a crucial part of the fashion industry.





"A company like ours is hard to manage. On the one hand we are fairly small but we operate in different markets. Myself, I am in the role of owner, management board, General Manager... the personal responsibility is enormous."

Samo Godnič,
General Manager



Rigo Group team

A side business grows into a company

After a few years of spending their afternoons repairing sewing machines, father Marjan Godnič and his son Samo established the company Rigo in 1990 along with their partners, the Italian company Rimoldi. "The Rimoldi brand was the largest manufacturer of sewing machines in Italy. Since at that time we lacked funds, they supplied us with sewing machines. After that we decided that we would expand from repairs and try sales ourselves. I was the company's first employee, followed by my father two years later and soon after that my wife joined us as well," Samo explains. In a few years the company began to expand from their native Primorska region into the greater region of Slovenia, while also assuming a leading role in the field of sales and repairs of sewing machinery for domestic and industrial use. Their products and services are used by companies in the

fashion, sports and automotive industries, in shoe-making, haberdashery, furniture and by embroiderers.

Over the years they have become familiar with, and more proficient in operating, their ever more demanding technology. Nowadays they sell computer programs for fashion designing, automated cutting systems and special machines for sewing and embroidering. "This is the latest technology that is available in the textile industry. This is where our knowledge comes into play and through it we are able to generate the biggest difference in price as well as more added value. We still sell our sewing machines in large quantities but we are more and more shifting towards a more automated approach," Godnič continues and adds: "In our line of work the winner is the one who has the knowledge and who is quick in reacting to change."

Providing the complete package

“We offer our buyers a wide variety of services; plus, we are extremely flexible. For instance, we can sell Jožica a needle that she needs for her domestic sewing machine, then, on the other hand we can also provide someone with the most complex sewing machines for cutting leather or fabric. If a farmer from Gorenjska needs a simple gadget to sew up his potato sacks, or if Lek needs a machine for medicine storage bags, we can provide both. We can also supply a suitable machine to a car seat manufacturer or to one upholstering furniture. Or we can sell an ironing

cylinder to a chain of hotels,” is how Samo’s wife and Head of Finance Lilijana describes flexibility as their key value.

They buy parts and machinery from manufacturers and then assemble them themselves. “We buy the head in Japan, the motor in Germany, the board in Italy, valves in Slovenia and then we assemble all of that into a whole. That is how we create added value,” the General Manager explains. “We are not the most affordable but we do have skills, knowledge and a good attitude towards our buyers. Each machine is delivered to the buyer, and we organize special training for the workers that will be using it. We aim to provide a complete service.”



They deliver each machine to the buyer and organize training for the workers who will use it. All machines are on display in the Rigo exhibition area

We are doing well because we have knowledge and an excellent young staff. We are able to upgrade certain machines, following cutting edge technology and that puts us in front of all other sellers.



The Japanese brand Juki, which has been represented by Rigo for 25 years, is known for the best sewing machines in the world



With its knowledge, Rigo refines and processes standard machines as desired and needed by the customer

Rigo in a nutshell:

knowledge, experience, flexibility, quality, teamwork

Stretching their legs

As the textile industry's crisis deepened at the turn of the millennium, the Godnič family realized that Slovenia presented too small a market for their survival, and the business needed to shift its focus towards foreign markets. The first leap they took was south, to Bosnia and Herzegovina, where the conditions were similar to those in Slovenia. "You scratch my back, I scratch yours. That's how it was," Samo remembers of their early cooperation with small Bosnian companies. Today they still have a center in Tešanj where they started sales and repairs, but the small companies have grown and now have between 400 and 500 employees. The Godnič family still works with them. "The market grew fast and then companies like Burberry and Gucci came to sew in Bosnia and Herzegovina," he further explains of the interesting state of the textile industry today.

Since Rigo has been successful in representing Juki, the Japanese brand known for having the best sewing machines in the world, Rigo's suppliers began to encourage them to spread out - and so they did. In 2011 they entered the Serbian market where they established Rigo International, followed two years later by the FYR Macedonia-based Rigo Retex. All this time they have cooperated with most of the Croatian companies and future plans include expansion into Albania and Kosovo. The first steps have also been made into the Austrian market and occasionally they also sell specialized machinery into other European markets.

Wanting to grow

When the company began the position of General Manager fell to father Marjan, who then led it for two years. Although father and son have different characters they never fought about work. One of the reasons could be that their responsibilities within the company were very clear from the beginning. "Even though we have completely different views, we managed to complement each other," Samo explains. He took over the company from his father when he was 24. After the father let his son lead the company and soon retired, they divided the ownership of the company between them. Nevertheless, Samo is well aware that his father is always there to support him. "If I call him, he'll drop everything and come. Rigo is still the number one priority for him. That is the bond."

"A company like ours is hard to manage," is how Samo sees it. "On the one hand we are fairly small but we operate in different markets. Myself, I am in the role of owner, management board, General Manager... the personal

responsibility is enormous." What is also demanding is managing personal relationships, since he and Lilijana spend 24 hours a day together. As a rule, they do not discuss business at home. "It's not easy to switch between the business and personal parts of life. When we go on vacation we usually talk of work on the first day and then no more," Samo continues.

When they think of the company's future, inevitably this involves their 16-year-old daughter Sara, but they are giving her full freedom of choice. Even though this year she worked in the company for the first time, they are not quite sure if she will want to continue the family story. "We might have to pick someone else to follow the line. Whoever that may be, he or she will have to be very familiar with our specific line of work and above all, we will have to trust them," is how Samo contemplates the issue of a successor. They are even thinking about selecting the next General Manager from among the staff, or even from outside. This would not be a novelty since two years ago they entrusted an outside manager with reorganizing the entire work process, introducing "safety nets" and regulations. "Without these rules we saw that the company was at a standstill and we wanted to grow," he explains.

Their ambition for growth is to continue expanding their knowledge base, maintaining a capable leadership and securing a certain future for the company. Rigo aims to increase revenue six fold in the next 10 years and they want to operate in nine different countries.

Samo Godnič

Owner

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

Number of employees (2017): **9**

Revenue (2017): **€4.5 million**

TERA Tolmin, d. o. o.

Nada Leban, co-founder

Marijan Leban, co-founder and procurator

Martin Leban, Director

TERA Tolmin - the Leban family's "third child"

Spanning more than a quarter of a century, TERA Tolmin can boast a wealth of experience in the sale of technical thermoplastics and plastics processing equipment. The family business has established partnerships in the automotive, electrical, white goods, medicine, electrical engineering, telecommunications, construction, packaging and cosmetics industries. The company is primarily engaged in the supply and resale of technical thermoplastics in their primary, granulate form. In addition, they supply spare parts and provide servicing and engineering services to manufacturers of equipment for processing plastics. The company has a portfolio of 400 domestic customers, all of which are major Slovenian companies, while abroad, their customer list contains over 100 firms. *"We are in fact dealers,"* explains Marijan Leban, adding that they are also providers of logistics.

The company has 14 staff and achieved over €13 million of sales in 2017, of which 30% was accounted for by exports. The 2017 financial year was extremely important as it marked the completion of more than €1.2 million worth of investment in new premises, which now extend to an area of 3,000 square meters. Of that, 80% is devoted to storage facilities and there are 600 square meters of administrative facilities, including a workshop for the company's own servicing needs, offices and a chemistry and physics laboratory.





"I do whatever is necessary to ensure the business progresses as it should. It is my duty to know every little thing about the business and ensure that everything is as it should be."

Martin Leban,
Director



Headquarters of TERA in Volče near Tolmin

It all started in a garage (much like Bill Gates's Microsoft)

In the 1980s, Marijan and Nada Leban were considering starting a part-time craft business. "Marijan is the son of a carpenter, and I am a farmer's daughter. All my ancestors were farmers who owned their land and as such were some sort of sole proprietors. I have certainly experienced what it is like to fight for one's survival," explains Nada. While Marijan worked in Metalflex, in 1981 Nada got a teaching job at the Tolmin grammar school. "We were young and despite low wages, we were determined to start our own business," explains Nada. When they moved to their new house in 1987, they finally started their family business. "We offered tampo printing services and postage stamp printing," adds Nada. When Slovenia gained its independence, they decided to register the company as TERA Tolmin.

"We started our business in a family garage, just like Bill Gates. Whilst we can't compare with Microsoft, considering that we started from scratch, our success is quite amazing," proudly points out Marijan, company procurator, who is primarily responsible for attracting new customers, especially from abroad. The Leban family founded the company in 1992, when Nada registered it and arranged for all the necessary documentation during the school summer holidays and the work started in late autumn. "I

like to tease my husband by reminding him that he started working in the garage where the only furniture was a writing desk he used while being in primary school, a radio telephone and three bags that stood in a corner," explains Nada. The warehouse, which at that time appeared enormous, seems rather small today. Marijan continues, "Over the years our business progressed gradually, until in 2007 we set a record by achieving €13.2 million in turnover."

Record success the result of good luck, courage and knowledge

Following the establishment of the family business, Nada continued to work as a teacher. After the birth of their children in 1977 and 1983, they began to focus more intensely on the future and how to make sure their two sons had secure jobs when they grew up. They ran out of garage space only 12 months after the start of their business, so they rented a warehouse only to run out of space again three years later. In 1997, they purchased premises in the village of Volče, where they gradually built two warehouses. "My father taught me that first earnings should be reinvested," explains Marijan.

When they moved to the new location in 2000, they drew up three business plans: optimistic, realistic and pessimistic versions. Marijan

remembers with pride, "In the end it was a mixture of good luck, courage and knowledge that helped us to surpass the optimistic version of the plan by a factor of three."

Local residents and family members make up the company's employees

TERA Tolmin has 14 employees, all inhabitants of nearby towns and villages, including Tolmin, Kanal, Šempeter, Bovec and Idrija. The staff works in sales, finances, warehousing and chemistry laboratory. Nada works as a part-time teacher in the Tolmin grammar school and spends only some of her time working in the company. Although she prefers to monitor the family business from the viewpoint of an external observer, the couple make all business decisions together. "Family understands your strengths and weaknesses better than anyone else and is well aware of your needs," explains Nada.

Their eldest son Vladimir also worked in the company for a while, but has since embarked on his own entrepreneurial path. "We just couldn't work together as, apparently, we are too much alike," says Marijan. While Vladimir remained in the same industry, he is involved in recycling materials and machines, the sale of which was abandoned by TERA Tolmin after the 2008 financial crisis. In spite of having his own business, Vladimir is always ready to offer a helping hand when needed.

Their second son Martin, Director of the company, helped his parents in the family business from an early age and worked during summer holidays throughout his student years. He says he wears many hats every day, 24 hours a day. "Even security services call me when a deer wanders out of the nearby woods and sets off the alarm. Mine is not so much a job but a way of life," explains Martin. "I do whatever is necessary to ensure the business progresses as it should. It is my duty to know every single thing about the business to ensure that everything is as it should be."



Marijan Leban retired in 2013 and left the company's reins in the capable hands of his younger son, Martin



Opening of the new headquarters in 2001



They offer over a thousand different types of materials

A well-organized company works well and efficiently, which is noticed by both suppliers and customers. Implementation and maintenance of the ISO quality systems guarantees excellence in services provided to customers.



They have more than 400 customers in Slovenia and over 100 customers abroad

TERA Tolmin in a nutshell:

family, community, knowledge, quality, courage

The company's excellent organization as competitive advantage

The company's competitive advantage stems from its excellent organization. TERA Tolmin has implemented and maintains the ISO 9001 quality and ISO 14001 environmental management systems as means of achieving the required quality, objectives and efficient environmental management. As Marijan explains, "We were one of the first in our industry to implement the quality management system. A well-organized company works well and efficiently, which is noticed by both suppliers and customers."

Automation is one of the challenges they plan to address in the future. "As there is a shortage of labor force, we intend to gradually limit the amount of heavy, physically demanding work as part of the future business development and our care for employees," says Martin. In terms of environmental management, they aim to improve their waste management through increased recycling efforts. "We are currently collecting technological plastic waste from our customers for resale," explains Martin. They are also considering chemical regeneration of plastic to produce oil and petroleum products. "While we are aware that we are not the cheapest on the market, our materials and support ultimately provide the winning solution for the end customer," emphasizes Marijan.

Transfer of ownership

Marijan Leban retired in 2013 and left the company's reins in the capable hands of his younger son, Martin. Currently, both sons own 20% of the company, which Marijan believes is insufficient and for this reason he intends to divide the ownership in two halves to allow both he and his wife Nada to exit the company. According to the plans, the ownership transfer to the new generation is expected to be completed within four years. "I often tell people that whilst I have two sons, I look upon the family business as my 'third child'. At times I spend more time dealing with the family business than in the company of my two sons, which makes the decision of how and when to transfer power to the new generation even more difficult," explains Marijan.

Throughout his working years, Marijan nurtured and kept alive his love for basketball, which he used to play in his younger years. "In 1967, when I was in primary school, I was a member of the Tolmin basketball team that won the Slovenian Young Champions Cup in Maribor. In addition, I was president of the Tolmin basketball club for 12 years," says Marijan, describing his interest in sports. Today, TERA Tolmin is the main sponsor of the Tolmin basketball club, also known as KK TERA Tolmin. "They play in the third Slovenian league," explains Marijan, who is more than happy to encourage children to take up sports.

The company is also sponsor of Peska, association for the study and preservation of the legacy of the First World War, which takes care of the Hungarian chapel located above the Pretovč mountain. "We are supporters of sports and culture and among others, we sponsor footballers, singers and musicians," explains Marijan, who believes that one should "Give the emperor what belongs to the emperor". "One should give the state what belongs to the state to fund infrastructure, healthcare, education and other social activities," concludes Marijan.

Marijan, Martin, Nada and Vladimir Leban

Owners

Company name:	TERA d. o. o., Tolmin
Number of employees (2017):	14
Revenue (2017):	€13.3 million

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Why choose EY?

- ▶ We serve **75%** of **500** of the world's largest family businesses (familybusinessindex.com).
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More than 80% of the world's businesses are family owned – they are the driving force of the world economy. This is consistent with the findings of our research, which EY Slovenia prepared in cooperation with the Faculty of Economics, University of Ljubljana. The research confirmed that 83% of companies in Slovenia have family control over their strategic direction. Family businesses, in general, are better placed to ride the turbulence of today's volatile financial markets. Yet we know that just 30% of family businesses make it through the second generation and only 13% survive the third. Each family business is unique, but with over 90 years of experience and a professional network spanning 151 countries, we know that many share similar advantages and face common challenges.

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

The EY Global Family Business Center of Excellence

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

EY Slovenia and family businesses

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

Visit our website [ey.com/si/familybusiness](https://www.ey.com/si/familybusiness)



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

EY Growth Navigator™

Accelerate your journey to market leadership

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

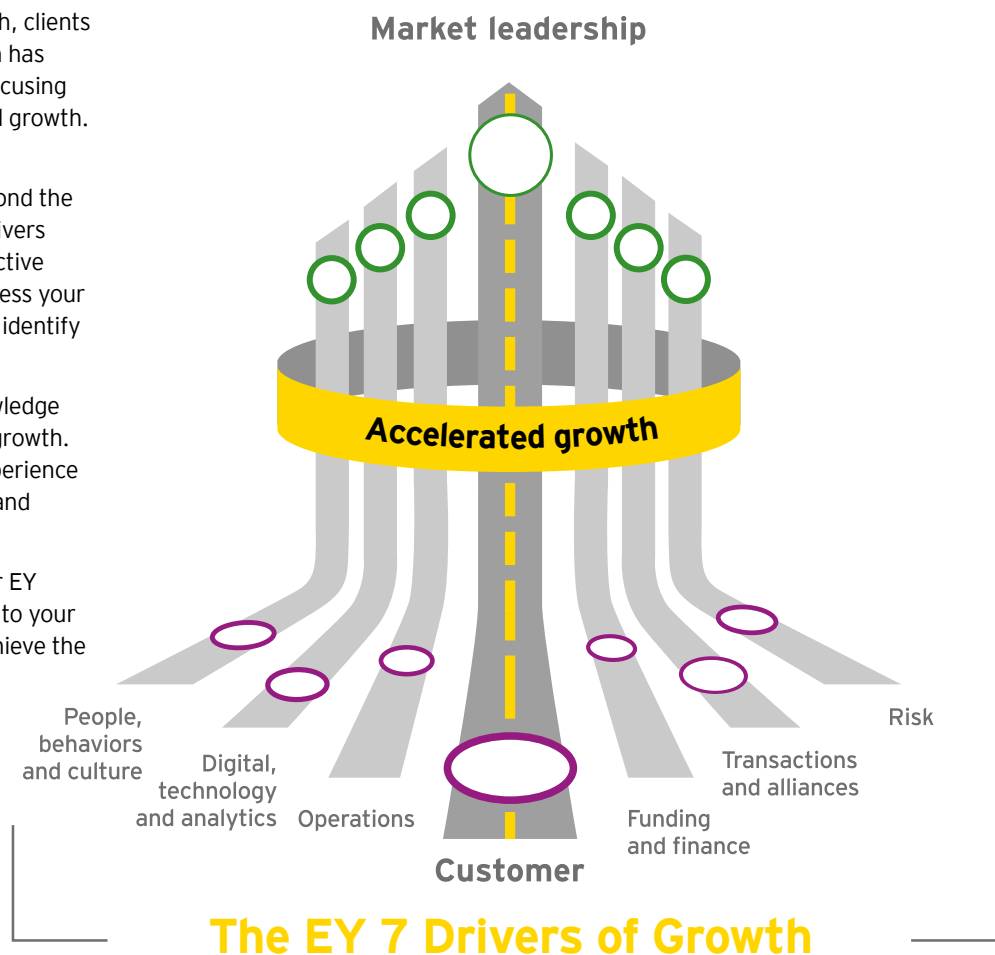
EY Growth Navigator™ is a unique way for you to think beyond the typical approaches to growth and consider seven critical drivers for business success and accelerated growth. It is an interactive experience that allows you and your leadership team to assess your company, gain valuable insights from leading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

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

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

○ Assessing where you are today

○ Achieving market leadership



SPIRIT Slovenia

promotes networking and the growth of family businesses

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

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

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

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

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

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

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

SPIRIT
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REPUBLIKA SLOVENIJA
MINISTRSTVO ZA GOSPODARSKI
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Last year's highlights



01 Representatives of the companies featured in Family Business Slovenia 2017. **02** Slovenia company Lumar attended Gala award ceremony at the World Entrepreneur of the Year and was featured in *EY Family Business Magazine 2018*. **03** In June 2018 Lukič family attended World Entrepreneur of the Year event in Monte Carlo, where their company Lumar was awarded with Family Business award of Excellence. **04** Bridget Kustin, PhD, lecturer and researcher at Said Business School, University of Oxford, was EY Slovenia's guest at the SBC Academy, Ljubljana in September 2018

Family Business Slovenia 2018

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REPUBLIKA SLOVENIJA
MINISTRSTVO ZA GOSPODARSKI
RAZVOJ IN TEHNOLOGIJO

Mediade





Anže Vrabl

Anže Vrabl, who was born in Logatec, realized at an early age that his passion for photography had developed into a serious obsession, firing his ambition to become a professional photographer.

While studying at secondary school, and later at the Higher School of Applied Sciences in Ljubljana, he worked on numerous photography projects independently.

Together with his girlfriend Romina, they jointly established Aluna Weddings while they were still at secondary school and they continue to provide wedding photography under this successful brand at home and abroad. Today Anže concentrates mostly on this work, plus other commercial photography.

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Last year's highlights

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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