

# Hidden Champions in CEE and Dynamically Changing Environments

Research Report

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## INTRODUCTION

The concept of hidden champions was initially identified and studied by Hermann Simon, where hidden champions are companies holding an international market leadership position in product categories and business models<sup>1</sup>. According to the 1996 study performed on the German economy and the 2009 study extended from Germany also to Austria and Switzerland, Simon re-confirmed that hidden champion type of companies present an important pillar of advanced economies of Germany, Austria and Switzerland.

Their importance for economic development is attributed to three factors. First, these companies exhibit higher resilience to economic recessions, shakeouts and restructurings. Second, they are creating new employment above the average rates in their respective economies. Last but not least, the companies that pursue pure hidden champion type of strategy exhibit much better chances of survival. Of course, some of the hidden champion companies also fail, but the failure rate among them is much lower than the country average.

In general, this type of companies show to be a good indicator of maturity, stability and propensity of the national economy and therefore an interesting field of study. In particular, studying hidden champions in Central and Eastern Europe (CEE) might offer important insights, also on the positive developments in this part of the world.

Especially after 2009, politicians and business people became seriously worried about the dynamics and stability of CEE region, and its losing relevancy in the globalized world. Many saw the reasons in a weak SME sector and in the lack of entrepreneurship. Also the global business press did not or could not publish distinctive business success stories from the region. Even quite recently some international consulting firms predicted that no important international industrial players in terms of size will emerge in CEE in the medium term. A study of hidden champions from this part of the world could have an important influence on its potential and image.

The internationally strongest industrial players from countries with close geographical proximity to Western Europe (eg Poland, the Czech Republic, Slovakia, Hungary, and Slovenia) are still very much part of Western European (mainly German) supply chains. They often do not produce goods that are directly consumed in Western Europe, but rather goods that are used by the Western European companies for export. Though some countries (eg Slovenia, the Czech Republic, Slovakia, Poland, and Estonia) have some high-tech business locations and Russia has recently set up its own “Russian Silicon Valley”, a group of high-technology industries at Skolkovo, the assessment prevalent in economic circles is that some CEE countries are losing the significance in the globalization battle. The question is whether this is an accurate assessment, or there are any business developments that are relatively unseen and unknown yet but represent a new élan in this region.

In order to answer this question, CEEMAN and IEDC-Bled School of Management initiated a research project on hidden champions from CEE, Kazakhstan and Turkey. The results of the research could also help to find novel ways for hidden champion companies to develop and hence to contribute to the development of this region.

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<sup>1</sup> According to original Simon's definition, a company must meet three criteria to be listed as a hidden champion:

- Number one, two or three in the global market, or number one on its continent, determined by market share
- Revenue below \$4 billion
- Low level of public awareness

This research project has involved over 50 researchers from 18 countries: Albania, Belarus, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Hungary, Kazakhstan, Latvia, Macedonia, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, and Ukraine. In general, there are quite substantive differences between these countries in terms of history, development, politics, business culture, bureaucracy, and legislative environment. Some countries became members of the EU, others are applying for it, and still others are not members of any economic unions. Despite the differences, these countries have in common a very brief recent history at open market economies, while being a newly open market economy seems to be a positive factor for the existing and developing companies in general, and hidden champions in particular.

When embarking on this research, the following research questions were formulated: do hidden champion types of companies exist in CEE, Kazakhstan and Turkey? If yes, who are they; what is their strategic behaviour; why and how they have succeeded so far? If they do not exist in a form as defined by Hermann Simon, then what are the best “proxies” of the hidden champion type of companies and how they behave on the strategic level? And last but not least, what kind of support hidden champions need to help them grow and sustain their international market leadership positions?

This summary research report is published for the international conference “Hidden Champions from CEE, Kazakhstan and Turkey”, taking place in Vienna, on 17-18 November 2011, while more in-depth study results, including the comparative analysis of hidden champions culture, strategy, and activities will be published in a separate book after the conference.

## RESEARCH METHODOLOGY

In 2008, a pilot research on Poland was conducted, applying the original Hermann Simon's questionnaire in its full extent. This pilot study showed the best and the most effective ways to implementing such research in Central and Eastern Europe (CEE). First of all, it became clear that a quantitative approach on the country level could only be meaningful if a large sample of hidden champion companies can be compiled. In Poland, 45 companies were studied with the questionnaire, and top management of eleven companies was also interviewed. The second lesson was that combining questionnaire with the interviews provided much more useful inputs, especially when the interviews were done in a semi-structured manner, which allowed the interviewees to navigate the conversation into the areas that matter the most to their business. In that way additional, highly relevant, information was gathered, allowing more reliable interpretations and offering better insights into the business success of identified companies.

The lessons from the Polish pilot study were integrated in the full-scale study of hidden champions companies from Central and Eastern Europe, Kazakhstan and Turkey, initiated in summer 2010. The original Simon's questionnaire was simplified and shortened by excluding about 1/3 of the questions that showed to be less relevant in the pilot research on Poland. The questionnaires were combined with the interviews. Next, information received from the interviews (in some companies more than one round of interviews was conducted) was triangulated with the information and data accessible through secondary sources (public records and reports, media, web, etc). Researchers also acknowledged the fact that some hidden champions preferred to remain hidden entirely or in some aspects, and therefore only the information that the companies were willing to share publically was requested during the interviews. As a result, some of the relevant information may not have been disclosed, and the researchers might have possessed only a partial picture of certain companies.

Each national research team identified a list of potential hidden champions in their respective countries through analysis of various sources of information. Though some diversity in country approaches existed, in general all the researchers studied all available sources: national and international statistical reports, economic studies; databases and networks of research and educational institutions; business rankings, articles in business magazines and other media; consultancy reports, information available through ministries, chambers of commerce, and other public bodies.

In many cases, the companies did not entirely comply with the Simon's definition of a hidden champion. However, all of them were strong exporters compared to the country's average, operating in a distinctive product category or business concept, and successful in the international market with a significantly growing market share over the last decade.

All identified companies were approached with request to fill in the questionnaire and conduct an interview. Over 165 questionnaires were completed, of which about 50% of the companies have agreed to the interviews, which were conducted in fall 2010 through spring 2011. The interviewees were leaders in the identified companies (mostly CEOs, entrepreneurial founders and top management). The interviews were performed in a semi-structured manner. The questionnaires were used only as a guideline to the researchers about what areas needed to be covered during the course of the interview. After the interview, the business story was summarized, and company details and terminology were translated into more general strategic concepts.

In some cases, companies requested not to be published after the interviews, and some preferred to “hide” their real names, which was respected.

Despite facing some constraints related to censored and scarce information about certain companies, all researchers did their best to extract the typical strategic behaviors of the company from the information available, also evaluating how close the company was related to the strategic behavior of Simon’s hidden champions.

On average, each researcher dedicated 20-60 hours of work per company, including for company identification, secondary data gathering, conducting interviews, making transcripts, drafting business stories, research reports, and book chapters.

This report presents an effort of an inductive analysis to extract meaningful conclusions and hypotheses about the company behavior from the hidden champion concept point of view. In particular, the goal of the researchers was to interpret each company through the elements of the hidden champion concept. In case the companies did not agree with the interpretation of the researchers, the remarks were used to elaborate further on the hidden champion concept.

## MAIN RESEARCH CONCLUSIONS

Being from young market economies, hidden champions from CEE are on average much younger, smaller and with more regional focus. However, some global and continental leaders exist. The expectation is that with maturity regional champions will grow and expand globally and will resemble Simon's hidden champion concept more.

Due to the short period of existence of the market-driven economies in the CEE region, the studied hidden champion companies are also relatively young. Their median age is 19 years, compared to the 61 years median of Simon's hidden champions. Exhibit 1 shows other major differences between the two groups in the field of revenue growth, export, productivity, R&D expenses, employees per patent, ROI, and equity ratio. On average, the CEE hidden champions grow faster and exhibit a higher return on investment; however, the variability of the ROI is higher, implying also a higher business risk.

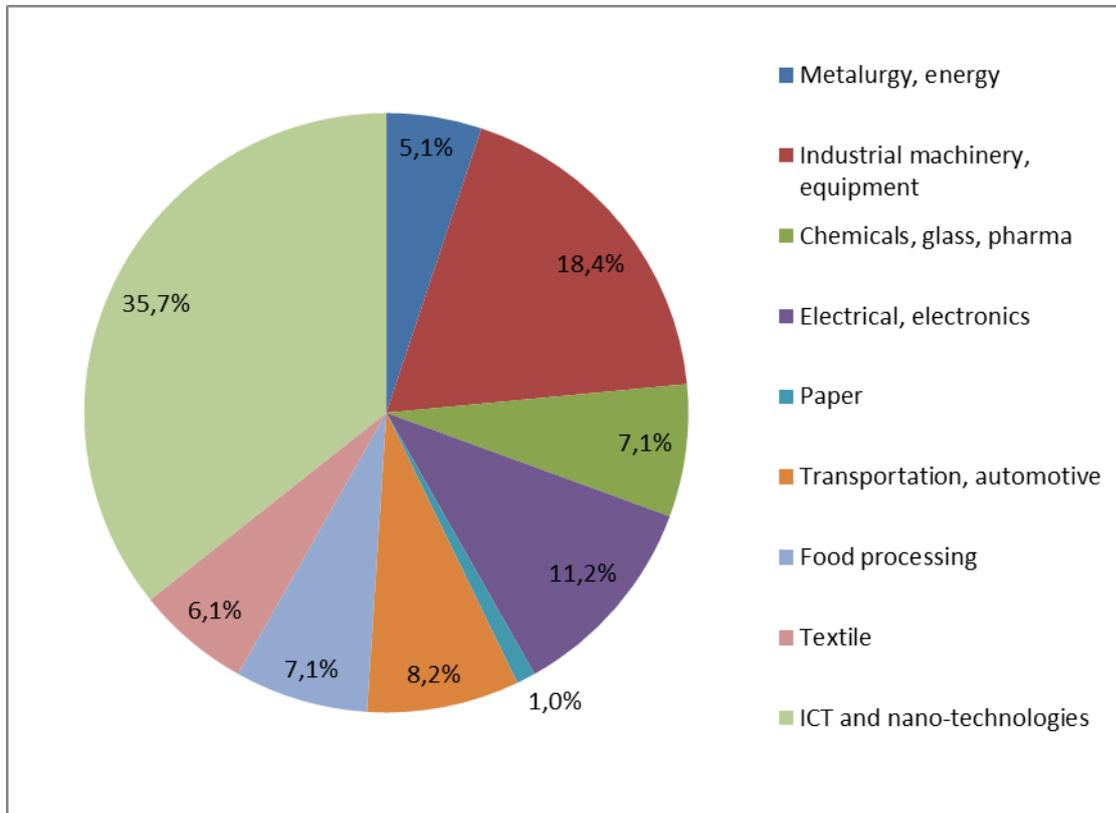
Indicator	Simon's HCs	HCs from CEE, Turkey and Kazakhstan
Market position	No. 1 in Europe or World's top 3	Global / Europe / CEE / Regional leaders
Average revenues (p.a.)	€ 326 millions	€ 141 millions*
Revenue growth (10 years in EUR)	8.8% p.a.	10.4% p.a.
Export (% of revenues)	61.5% (51.1% 10 years ago)	62.1% (58.2% 10 years ago)**
Productivity (revenues per employee)	€ 160,039	€ 99,240
Median age (years)	61	19
R&D expenses (% of revenues)	6%	16.4%
Employees per patents	30.6	941
ROCE / ROI (%)	13.6%	32%
Equity ratio (%)	41.9%	56%

*Exhibit 1: Comparison of Hermann Simon's hidden champions with hidden champions from CEE, Kazakhstan and Turkey along the core indicators of hidden champion strategy*

\* Data for Poland from 2008, Turkey and Slovakia not included

\*\* Some companies did not exist 10 years ago

Simon's hidden champions are mainly originating from mature industries (industrial machinery, transportation, automotive, ICT), and many hidden champions from CEE are also placed in these areas, as well as in metallurgy and energy sectors. Exhibit 2 presents the distribution of hidden champions from CEE, Kazakhstan and Turkey along the main industrial sectors.



*Exhibit 2: Industries of hidden champion companies in CEE, Kazakhstan, and Turkey*

Though hidden champions from CEE, Kazakhstan and Turkey all pursue the strategy of focused differentiation and try to create growth through international expansion, they exhibit many nuances in their strategic behaviours.

Similar to Simon's hidden champions, the CEEMAN-studied companies are mainly focused on narrow customer groups where they are able to create superior customer value than their competitors. Some are competing also on other dimensions like lower costs, economies of scale, or fast imitation.

Another similarity is that most of the CEE hidden champions innovate extensively and successfully, but invest much higher portion of revenues into R&D activities, and their innovation activity is intensive in both, products and processes. Deliberate innovations in business models are only a few. It is estimated that many of the studied hidden champions could succeed even more if they would design their business models better, especially in respect of company value propositions and revenue stream optimization. Here, business educators can help a lot by offering appropriate learning programs.

Many of the studied hidden champions are distinctive technological leaders - they have technologically superior products, yet this superiority is not well reflected in the market share by revenue. However, stated technological leadership is a good indicator of company's competitive strength, and technological leadership is expected to positively influence the company market share (measured by revenues) in subsequent years.

Growth through internationalization (building global sales and distribution systems) combined with intensive R&D activity is financially demanding, and quite a few hidden champions expressed

dissatisfaction with the available financing mechanisms. Here, financial investors, as well as national governments and international economic institutions should re-think the financial solutions for hidden champions.

Similar to Simon's hidden champions, the majority of studied companies (especially those set up after 1990s) are led by strong entrepreneurial founders who possess brave vision, a lot of passion for technology, great expert knowledge, and strong international networks. In addition to that, these leaders are also strong community builders. In particular, they are capable of building close ties with their employees, customers, suppliers, global research centres, educational institutions, and local community. Next to that, they are also very effective in building international management and supervisory boards that can best serve the interests of the company as well as other stakeholders.

A first analysis of the nature of competitive advantage among CEE hidden champions shows a lot of diversity. The advantage can be found in quality of products and business models, labour costs, tradition, leadership, customer orientation, expert knowledge, barriers for new entries, supreme technology, partnerships, innovative power, design, market knowledge, etc. However, the most frequently mentioned are technology (knowledge), innovative power, quality of products, tradition, motivated and qualified staff, market knowledge, and customer relations.

Among the success lessons, there are more than a hundred elements mentioned, showing again the variety of organisations in product, concept, maturity and environment. The items vary from "creating peace and security" to "the leader has to be a dreamer". Some of the most important reasons for success are seen in knowing your core consumers/clients (working and designing together with them, learning from them), application of innovative solutions, quality focus, unique customer value proposition, strong and visionary leadership, employees as the main asset (training, trust, respect), partnerships (networks, joint ventures), and investing in R&D. Further research and analysis will give more information on the impact of and the relation between these elements.

However, the majority of studied hidden champions is still in "adolescence" stage, critical formative years when one can easily succeed as well as derail. As with people in this critical stage of life, the difference between those who fail and those who succeed lies usually in learning. The role of CEEMAN members and management development institutions in general is to assist in providing the right learning opportunities.

The next sections offer the list of identified hidden champions included in the research, as well as more detailed brief presentation of the interviewed companies and their relevant environments. The presentation contains: country data, a short country history after 1915, core economic indicators, general company information, the nature of market leadership, the nature of competitive advantage, and the core lessons learned from the past business success.

## IDENTIFIED HIDDEN CHAMPION COMPANIES IN CEE, KAZAKHSTAN AND TURKEY

Companies marked with \* are presented in more detail in the next section.

### Albania:

1. **Amla\***, one of the leaders in dry-processed chestnuts in Western Europe.
2. **Mare Adriatica\***, one of the leaders in production and conservation of fish salted anchovy fillets (BIO products) in Eastern Europe.
3. **Venice Art\***, one of the leading producers of traditional Venetian carnival masks in Europe.
4. **Xherdo\***, leading provider of essential oils and medicinal plants processing (BIO products) for Germany, France, Italy, United States, and Greece.

### Belarus:

1. **“Document scanners”**, leader in the production of passport scanners (50% of the CIS market and a significant market share in the European Union, Middle East and Africa).
2. **“Excavators”**, CIS leader in production of truck excavators.
3. **“Lids”**, CIS leader in production of aluminium lids, with strong presence in CEE.
4. **“Radiation meters”**, global leader in production radiation measurement with main markets USA and EU.
5. **“Shutters”**, leader in production of aluminium shutters (blinds) in Russia, Ukraine and Belarus.
6. **STiM\***, CIS leader in production of road marking machines and paints.

*Note: Names of the companies in parenthesis are disguised.*

### Bosnia and Herzegovina:

1. **Alma Ras\***, regional leader in underwear production for corporate and individual clients.
2. **Bekto Precisa**, regional leader in high-precision plastic moulds and mould parts.
3. **Feal\***, SEE leader in aluminium production and procession.
4. **Invento Media Group\***, a global leader in production of bluetooth devices for corporate clients.
5. **Lumen\***, regional leader in candle production for both corporate and individual clients.
6. **Plastex\***, regional leader in production of “klip kap” mechanisms and “flexible packaging” for corporate clients.
7. **Prevent Leather**, SEE leader in production of car seats for corporate clients.
8. **Širbegović Group**, one of the leading construction companies in SEE and North Africa.
9. **Turbina**, regional leader in design and production of vertical axis wind turbines for corporate clients.

### Croatia:

1. **Bodren\***, regional leader of high quality ice wines, the only one with six gold, three silver and two bronze medals at Decanter in four years in a row.
2. **DOK-ING\***, world leader in production of remote controlled mining vehicles.
3. **Durante m2\***, leader in production and sales of joint freeslabs in Western Europe.

### Czech Republic:

1. **2N Telekomunikace**, a regional leader in telecommunication equipment including Intercoms, GSM Gateways, UMTS products, PBXs and M2M.
2. **Adastra Group**, a leader in business intelligence services in CEE and in Canada.
3. **Bochemie**, CEE leader in production of chemicals for steel producers.
4. **Elephant Orchestra**, world leader in selling “empty” web domains.
5. **Linnet**, regional leader in production of hospital beds for critical, intensive and general care.
6. **Pixmac**, a global leader that serves as a stock agency in selling/buying images.
7. **Y Soft**, a regional leader in providing different holistic software solutions for effective print management.
8. **Zoom International**, CEE leader in high quality call recording and management.

### Estonia:

1. **Eesti Energia (Enefit)\***, world leader in oil shale industry in the world, second best in Europe.
2. **Kiviõli Keemiatööstus**, third in shale oil production in Europe.
3. **Krimelte**, CEE leader in insulating foam production.
4. **Molycorp Silmet**, second in rare earth metals industry in Europe.
5. **Playtech Ltd / Playtech Estonia**, world-leading software developer for unified software platforms and content for the remote and land-based gaming industry.
6. **Tallink Grupp\***, world-leading mini-cruises ferry operator and ferry duty free & retail shops operator.
7. **Ülo Pullisaar FIE (Järveotsa Vutifarm)\***, European leader in quail farms.
8. **Viru Keemia Grupp (VKG)\***, world-third and Europe’s largest shale oil producer.
9. **Wendre\***, leading beddings manufacturer in Europe.

### Hungary:

1. **CASON\***, one of the leading providers of system solutions for industrial gas-distribution data monitoring market in CEE.
2. **CycloLab\***, the only company in the world in the business of R&D and small-scale manufacturing of all-round cyclodextrin.
3. **Energotest\***, a raising leader in modular, network-integrated technical testing stations in the car diagnostics industry in the CEE region, with an indisputable market leadership in Hungary.
4. **Kürt\***, one of the leading providers of data recovery, professional ethical hacking, quality assurance in traffic information systems, and behavioural analysis of information system in CEE.

### Kazakhstan:

1. **ALSI\***, the largest company in Kazakhstan in information technologies.
2. **Tulpar-InTech\***, the only producer of precision instruments for railway industry in Kazakhstan that is rapidly expanding in the CIS region.

### Latvia:

1. **A Boards\***, one of the leading global producers of high quality kite boards and kite boarding equipment.
2. **Aerodium\***, among the world leaders in the vertical wind tunnel technology that suits wider market needs.
3. **BLUE Microphones\***, the US leader in high quality microphones for the mass market.
4. **MADARA Cosmetics\***, emerging leader in the eco-cosmetics market niche in Europe.
5. **Mammu**, young start-up, social business aimed at creating a major social movement around the world.

### Macedonia:

1. **Ading\***, one of the strongest players on the market of admixtures and other chemical materials for construction industry in SEE and Middle Asia.
2. **Konti-hidroplast\***, one of the regional leaders in SEE in production of polyethylene hoses and polyethylene pipes.
3. **Mikrosam\***, a provider of innovative composites manufacturing solutions to customers from all over the world, estimated to be among top 10 in the world.
4. **Vipro\***, food producer, biggest global producer of ajvar sauce on international markets.

### Poland:

1. **ADB**, European leader in pay-tv infrastructure.
2. **Ammono**, world leader in one of the technologies for bulk Gallium Nitride (GaN) manufacturing.
3. **Asseco**, sixth largest software vendor in Europe.
4. **Axtone**, one of the world leaders in energy absorption technology for rail vehicles.
5. **Black-Red-White**, the largest furniture manufacturer in Poland with operations in nine countries and sales in 40+ countries.
6. **Can-Pack**, CEE leader in selected metal packaging solutions.
7. **Canpol**, CEE leader in some products for infants and babies.
8. **City Interactive**, producer of world best-selling computer games.
9. **Codility**, world leader in automated assessment tests for software programmers.
10. **Cynel**, largest supplier of purest solder in Poland with strong export.
11. **DGS**, world's top manufacturer of aluminium closures for beverages.
12. **Fakro**, second largest roof window supplier in Europe.
13. **Gamet**, leader for decorative furniture and building accessories in Poland with export to 40+ countries.
14. **HTL-STREFA**, world's leading manufacturer of safety and personal lancets.
15. **Ivona Soft**, global quality leader in text-to-speech solutions.

16. **JAAN NordGlass**, one of the leading suppliers of automotive glazing in CEE with an extensive network of service stations.
17. **Kler**, market leader in Poland with strong export of luxurious furniture.
18. **Koelner**, one of top European manufacturers of fasteners.
19. **Kopex**, world's third largest solution provider for underground and open-pit mining.
20. **Lumel**, one of leading European manufacturers of electrical devices for automation and high pressure aluminium castings.
21. **Mago**, one of CEE leaders in providing customized solutions for commercial and storage space fitting.
22. **Maspex**, one of the largest food companies in CEE.
23. **MedicAlgo**, developer of innovative solutions and systems for signal and data processing in medical applications with majority of sales in the USA.
24. **Merida**, CEE leader in sanitary equipment and hygienic articles.
25. **Morpol\***, world's leading processor of salmon and the market leader in smoked and marinated salmon.
26. **Nepentes**, CEE leader in dermocosmetics.
27. **Nowy Styl**, leading European supplier of chairs for all purposes.
28. **Optopol**, world's leading supplier of diagnostics equipment for ophthalmology.
29. **PESA**, manufacturer of electric and diesel train units and low-floor trams – clear number one in Poland with strong export to Europe.
30. **Psiloc**, market leader in applications for Symbian OS.
31. **Roleski**, CEE leader in wet seasoning.
32. **Selena\***, world's fourth largest manufacturer of polyurethane foam.
33. **Snip.pl.**, among global top-three in automatic bidding for on-line auctions.
34. **Solaris**, leading manufacturer of buses and coaches in CEE.
35. **Tele-Fonika Kable**, market leader in CEE in cables and wires
36. **Tanssystem**, leading provider of technological transportation systems for manufacturing facilities in Europe.
37. **Telesto**, developer and manufacturer of devices and systems atomizing liquids with unique features.
38. **TZMO**, CEE leader in dressing materials with subsidiaries in 49 countries.
39. **VTS**, European leader in small engines for ventilation and air-conditioning systems.
40. **WATT**, world's third largest solar collectors' manufacturer.
41. **X-trade Brokers**, the largest brokerage house in CEE (present in 20 countries).

### Romania:

1. **Electra Group\***, the leading manufacturer of interphones in Romania, now spreading abroad and also diversifying to alarm system solutions for residential developers.
2. **Gliga\***, one of the leading global providers of string instruments (School, Student, Professional and Maestro) over internet.
3. **Grapefruit\***, the leading internet solution designer of company identity, recognition and reputation in Romania, now spreading abroad.

### Russia:

1. **ABBY**, first in software production (dictionaries, voice, business cards and text recognition) in Russia, CIS, and Asia.
2. **Acron**, one of the leaders in production of ammonia fertilizers in Russia, CIS, and Asia.
3. **Bask**, one of the leaders in production of innovative outdoor equipment in North Europe and CIS.

4. **Chelyabinsk Zinc Plant**, one of the global leaders in zinc metal production for automotive manufacturing.
5. **Grishko\***, world-third in production of pointe shoes for ballet.
6. **Isotope**, one of the global leaders in products for preventive atomic infection.
7. **Istra-Soft**, leader in production of educational software in Europe and in Russian speaking countries.
8. **Kaspersky Lab**, leader in production of innovative anti-virus software in Russia, CIS, and Asia.
9. **Luxoft\***, one of the global leaders in software customization for banking, automotive and aerospace industries.
10. **Materia Medica Holding**, one of the leaders in flu prevention medicine and immune modulation in CIS and Eastern Europe.
11. **Moscow ship-building and ship-repair factory**, first in production of motor yachts for cruise and private use in CIS, first in repair of yachts in Eastern Europe.
12. **Nanotechnology MTD\***, third in the world in production of zond microscopes, innovative R&D in nanotechnology, founder of nanotechnology scientific society in Russia.
13. **Novikov Group**, first in hospitality business in Russia; first in innovative business models for restaurants, cafes in Russia, Ukraine, Kazakhstan, and UK.
14. **NTO IRE-Polus (Photonics)**, first in the world in production of specific lasers products.
15. **Parallels**, first in production of cloud software in Russia, Asia, and CIS.
16. **PetrovaksPharm**, one of the CIS leaders in immune modular systems.
17. **Pharmstandard**, one of the leaders in pharmaceutical products in Russia, CIS, and CEE.
18. **Rosatom**, one of the CIS leaders in production of atomic products.
19. **Roschimzaschita**, one of the CIS leaders in production of protective frames.
20. **Russian Helicopters\***, fourth in the world and in Europe in production and sales of the high weight and efficient helicopters.
21. **Saranskable**, first in cable production in Russia and CIS.
22. **Sitronics**, one of the European leaders in microelectronics and telecommunication solutions.
23. **SKIF-M**, fourth in the world and second in Europe in production of special mills for aerospace industry.
24. **Technicole**, first in CIS and in Eastern and Northern Europe for roof construction materials.
25. **Transas**, second in the world and in Europe in unique coastal navigation systems for marine and aircrafts, as well as in production of training simulation systems.
26. **Tyumen Accumulator plant**, one of the leaders in CIS and Central Asia in production of rechargeable batteries.
27. **VEMZ Vladimirskiy Electromotive Plant**, one of the CIS leaders in production of asynchrony motors for automotive industry.
28. **VSPO-AVISMA**, the largest supplier of Airbus and second largest for Boeing Corporation, as well as for final assemble of luxury cars (Bugatti, Porsche, and Bentley) of titanium disks for tires.
29. **Yandex\***, first and leading search engine in all Russian speaking countries, even before Google.

#### Serbia:

1. **Copper Mill Sevojno\***, first in SEE and third in Italy and Austria in the production of construction sheets and industrial strips made of copper and copper alloys.
2. **DUOCHEM\***, leader on the market of biocides, rodenticides and insecticides in Serbia with 60% share.
3. **EXECOM\***, current leader in custom software solutions in Western Europe.
4. **Novkabel\***, leading cable producer, mostly for electronic and telecommunications industry in SEE, and from 2010 in the CEFTA countries.
5. **PlusPlus New Technologies\***, leader in Western Balkan region as teletext system producer, where it covers 70-100% of this market niche.

6. **Prvi Partizan\***, first in Serbia in producing ammunition for military, sport (shooting) and hunting; fifth in the North American and Western European markets with certain ammunition products.
7. **RT-RK\***, for the last four years leader in EU, USA, Turkish, Israeli and Russian markets in cost-efficient software and hardware solutions for multimedia devices.

### Slovakia:

1. **ACE enterprise\***, one of the regional leaders in integration and optimization of information systems (eg, SAP).
2. **Drevodomy Rajec**, one of the European leaders in production of log houses.
3. **Eset\***, first in the world to introduce proactive security, clever programming and ongoing innovation, leader in CEE countries with more than 100 million users globally.
4. **Grand power\***, one of global leaders in production of high-quality gun products for USA, Russia, and the EU.
5. **Media Control**, one of the leading integrators of ICT systems and holistic system providers for “intelligent” buildings and objects.
6. **Kvety.sk\***, one of the regional leaders in selling high-quality flowers over internet.
7. **Spinea**, second in CEE and third in Western Europe in production of high-precision bearing reducers.
8. **Sygic\***, second in CEE with more than 1 million users in GPS navigation software for mobile devices.

### Slovenia:

1. **Akrapovič\***, world leader in titanium exhaust systems for racing bikes.
2. **Atech\***, first in Alpe Adria region in production and supply of electro-motors and navigation control systems for heaters on biomass.
3. **Bia Separations\***, first (and the only one) in the world in CIM monolithic columns technology - the most cost efficiency technology used in purification stage of bio-drug production process.
4. **BISOL Group\***, among top three top quality photovoltaic module producers (highest yield (electricity extraction) and lowest degradation over time) in the world.
5. **Europlus (NiceLabel)\***, world-third in the design and printing of bar-code and RFID labels.
6. **Genelitik (LifeGenetics)\***, number one in Slovenia, providing advice on optimal nutritional and lifestyle choices to prevent possible illnesses, help weight loss, etc, based on genetic analysis; in the process of refocusing on the EU market of fitness and wellness centres.
7. **GenePlanet\***, number one in Slovenia providing advice for prevention of potential (curable) diseases based on genetic analysis; in the process of expanding to CEE region and B2C market.
8. **Hidria\***, world-third in diesel cold start systems for internal combustion engines, world leader in range extenders for hybrid electric vehicles, second in Europe in aluminium die-castings for automotive steering systems.
9. **Instrumentation Technologies\***, world leader in production, supply and advice in instrumentation for beam particles that are instrumental for measuring the positions of elementary particles in accelerators.
10. **Metrel\***, first in Europe in the production and supply of testing and measurement instruments for electrical safety of installations in low voltage electrical distribution industry.
11. **Optotek\***, world leader in original equipment manufacturers (OEM) sales of ophthalmological lasers for diagnostics and therapy.
12. **Pipistrel\***, world leader in the recently established categories of ultralight aircraft: first in the world in double-seat motor gliders that can turn into pure gliders once in the air; first in the world in two-

seat gliders with an auxiliary and in the category of electric two-seater airplanes; first in the world in newly established category of electric two-seater gliders (not yet approved for flying in many countries).

13. **Seaway Group\***, world leader in sails and motor boat design for OEM and leading boat brands.
14. **Studio Moderna\***, CEE leader in electronic retailing and direct marketing.
15. **Tajfun\***, European leader in the production and supply of three-point logging winches.

## Turkey

1. **Aksa\***, US leader in acrylic fibre for outdoor products.
2. **Alvimedica\***, technological innovation leader in interventional cardiology products.
3. **Arbel\***, world leader in red lentil production.
4. **Ege Cooling Systems (Safkar)\***, first in Eastern Europe and Middle East.
5. **Eko Textile\***, third in Europe in lingerie and underwear.
6. **Kanca Hand Tools\***, European leader in hand tools production.
7. **Kordsa\***, third in the world in cord fabric for tire reinforcement and mechanical rubber.
8. **Mutlu Batteries\***, first in Russia and CIS in transportation and industrial batteries.
9. **Şişecam Group\***, first in CEE, Middle East and Middle Central Asia, number two in Europe, number three in the world in glassware.
10. **Yünsa\***, European leader in worsted yarn fabric.

## Ukraine:

1. **Eleks Software\***, one of the world leaders in programming real-time automated complex systems in entertainment industry.
2. **Kakhovka plant of electric welding equipment (KZESO)\***, world's leading manufacturer of rail welding equipment.
3. **PocketBook International\***, CIS leader in production of e-book reading devices.
4. **Ukrainian Beer Company (UBC Group)\***, world leader in production of beer coolers; CIS leader in production of beer promo products (caps, cafeteria carts, tent products, ceramic beer faucets).
5. **Weidmann Malyn Paper Mill\***, CIS leader in production of pulp-insulating materials (eg, electrical insulating board obtained by hot pressing) for the electrical industry.

## **HIDDEN CHAMPION REPORTS BY COUNTRIES**

**ALBANIA**

**Official name:** Republic of Albania  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 3,639,453  
**Land area (in sq. km):** 28,748

**History**

**1913** - Treaty of London of May 1913, has known Albania as an independent state  
**1941** - Albania is occupied by Nazi Germany and Italy during World War II  
**1944** - At the end of the war, Albania becomes a Socialist Republic  
**1990** - The demise of communism and entering the road of market economy  
**1992** - After the sweeping electoral victory of the Democratic Party, Sali Berisha became the first democratically elected President of Albania  
**1997** - Fall of pyramidal schemes caused a political and economic crisis  
**2006** - The Stabilization and Association Agreement (SAA) signed with the EU in June  
**2006** - Albania joined other countries in the region and signed the Central European Free Trade Agreement (CEFTA)  
**2009** - Albania became a NATO member country and its application for EU membership

**Core Economic Indicators**

	<b>1999</b>	<b>2009</b>
GDP per capita (current US\$)	1.118	3.808
GDP per capita growth (annual %)	10	2.12
Foreign direct investment, net inflows (% of GDP)	1.2	8.14
GDP (current US\$, mio)	4.742	12.015
Exports of goods and services (current US\$ millions)	594	3.443
Exports of goods and services (% of GDP)	17.3	28.7
Merchandise exports (current US\$, mio)	351	1.087
Merchandise exports to high-income economies (% of total merchandise exports)	96.6	87.7
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	3.3	5.1
Ores and metals exports (% of merchandise exports)	3.9	9.6
Agricultural raw materials exports (% of merchandise exports)	4.5	3
Food exports (% of merchandise exports)	5.5	5.6
Fuel exports (% of merchandise exports)	2	11.6
Manufactures exports (% of merchandise exports)	84.1	70.1
High-technology exports (% of manufactured exports)	1.75	1.3

Source: World Bank, June 2011

	<p><b>Amla shpk</b></p> <p>Address: L.Dardania, (B.Curri), Tropojë - Albania  Tel: 0032 / 48 88 75 587  Mob: +355 (0) 67 28 92 691  Email: <a href="mailto:contact@amlashpk.com">contact@amlashpk.com</a>  Web: <a href="http://www.amlashpk.com">http://www.amlashpk.com</a></p>
<b>Company information</b>	
Industry:	Chestnuts processing and exporting
Year of establishment:	2006
Sales revenues in 2010:	€ 0,94 MIO
Revenues in 2006:	€ 0,22 MIO
Average number employees in 2010:	30
Brainer(s) behind the company:	CEO and founder Ramiz Jahaj
<b>Nature of market leadership</b>	
<p>The European leader in the production and supply of chestnuts. The market is now expanding. The company is also building up European market leadership position in half-processed chestnuts. The main competitors in the midterm are likely to be Greece and Turkey.</p>	
<b>Nature of competitive advantage</b>	
<p>The nature of competitive advantage rests on scarcity of chestnut forests relative to demand and on the quality of products (chestnuts from Albania are considered of highest quality), lower costs due to labor costs and efficient organizational solutions for gathering and processing chestnuts.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you are in labor intensive industry like harvesting chestnuts, make sure you create conditions for life for our fellow citizens, especially in disadvantaged areas. This will help to create a climate of peace, security, and commitment.</li> <li>2. In a country like Albania, which is under-developed in the terms of service and quality, there are many business opportunities, but you need to have clear vision and courage to pursue ambitious goals and above all, offer something unique to all stakeholders (ie, chestnut suppliers).</li> </ol>	

	<p><b>Mare Adriatika shpk</b></p> <p>Address: Shelqet – Vau i Dejes, Shkoder, 1000 Albania  Tel: +355 266 22146  Fax: +355 266 22146  Mob: +355 69 20 95644  Email: <a href="mailto:mare.adriatik@yahoo.it">mare.adriatik@yahoo.it</a>  Web: <a href="http://www.mareadriatik.com">www.mareadriatik.com</a></p>
<b>Company information</b>	
Industry:	Fish processing
Year of establishment:	1995
Sales revenues in 2010:	€ 1,08 MIO
Revenues in 2000:	€ 0,26 MIO
Average number employees in 2010:	150
Brainer(s) behind the company:	CEO and founder Mark Babani
<b>Nature of market leadership</b>	
<p>Mare Adriatic is one of the largest Albanian companies that processes anchovies and sardines from the Adriatic Sea and exports them throughout Eastern Europe.</p>	
<b>Nature of competitive advantage</b>	
<p>Years of experience in the industry, low labor costs in Albania, and potentially an array of international clients for salted anchovy fillets are the main advantages of the company.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you are in food-processing business, focus in the quality of the product and invest in process that will allow you to certify your product as BIO-products.</li> <li>2. Rely on self-financing.</li> <li>3. Integrating forward along the industry value chain; integrate across the food-processing business value chain as possible and to appropriate a greater portion of the pie for yourself.</li> </ol>	

	<p><b>Venice Art shpk</b></p> <p>Address: Rr. Vasil Shanto, No.783, Shkoder, Albania. Mob.: +355 67 20 47291 Email: <a href="mailto:edmondangoni@gmail.com">edmondangoni@gmail.com</a></p>
<b>Company information</b>	
Industry:	Carnival masks
Year of establishment:	1998
Sales revenues in 2010:	€ 1,55 MIO
Revenues in 2000:	€ 86,835
Average number employees in 2010:	70
Brainer(s) behind the company:	CEO and founder Edmond Angoni
<b>Nature of market leadership</b>	
<p>Venice Art Masks prepares carnival masks, according to Venetian tradition. Its core market is Venice, from which it receives large order for the day of global carnivals. Hence, company masks are sold at traditional carnivals worldwide.</p>	
<b>Nature of competitive advantage</b>	
<p>Advantages lie in the attractive price value ratio. Meaning, you get the similar highest quality mask at a price lower than those of high-end competitors. The quality is achieved through years of experience in producing masks, which has many production secrets. As a result, it is difficult for new entrants to be competitive in the market. Products are hand-made through the low cost of labor in many varieties. A rich catalogue of high-quality hand-made models is very difficult to be created by new entrants, hence the company erected effective barrier to entry from Albanian artisans.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Try to create entry barriers for imitators, leveraging your years of experience and superior knowledge of the business relative to the newcomers.</li> <li>2. Apply a wide range of innovative solutions to meet client expectations, particularly when it comes to design features, an extremely important factor of competitive advantage in mask-making business.</li> <li>3. Employees are the main assets. Invest in emphasis on training, trust and respect.</li> </ol>	

	<p><b>Xherdo shpk</b></p> <p>Address: Str. Nikolla Lena, No.138, Tirana, Albania  Factory in Maminas, Durres  Tel./Fax: +355 4 226 5925  Mob: +355 69 20 60 915  Email: <a href="mailto:xherdo@yahoo.com">xherdo@yahoo.com</a>  Web: <a href="http://www.xherdo.biz">www.xherdo.biz</a></p>
<b>Company information</b>	
Industry:	Essential oils and medicinal plants processing
Year of establishment:	1991
Sales revenues in 2010:	€ 3 MIO
Revenues in 2000:	€ 0,94 MIO
Average number employees in 2010:	120
Brainer(s) behind the company:	CEO and founder Xhevit Hysenaj
<b>Nature of market leadership</b>	
<p>A leading provider of essential oils and processed medicinal plants in Albania with 80 percent of market share in essential oils, and 20% in processed medicinal plants. Germany, France, Italy, United States, and Greece are the main export countries in an ever growing market.</p>	
<b>Nature of competitive advantage</b>	
<p>The company's competitive advantages are built on:</p> <ul style="list-style-type: none"> <li>• Tradition - in this market, tradition is an important factor.</li> <li>• Quality - today the demand for quality products is growing based on coping with the global market requirements.</li> <li>• Quantity – currently, demand exceeds supply. Therefore, building on capacity should be seen as an opportunity.</li> <li>• Exclusive focus on BIO products.</li> </ul>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Always look on the bright side and turn problems into motives to achieve goals.</li> <li>2. The leadership must be authoritarian in the principles, but flexible in the details.</li> </ol>	

## BELARUS

**Official name:** Republic of Belarus  
**Type of government:** Presidential Republic  
**Population in 2009:** 9,503,807  
**Land area (in sq. km):** 207,595

### History

**1915 - 1918** – Belarusian territory was the scene of bloody battles between German and Russian forces. 3rd March 1918– The Treaty of Brest-Litovsk was signed, marking Belarus' exit from World War One.

**1919** - The Soviet Socialist Republic of Byelorussia was declared.

**1921 – 1928** The Riga Peace Treaty resulted in the partitioning of Belarus between the Belarusian Soviet Socialist Republic and Poland. New Economic Policy (NEP) introduced across Belarus.

**1921 - 1930s** – The Polish part of Belarus subjected to Polonization. 1922 – Belarusian SSR became a part of the Union of the Soviet Socialist Republics (USSR).

**1936-1940** – The Great Purge. More than 86,000 Belarusians suffered political oppression and over 28,000 were sentenced to death at Kuropaty camp near Minsk. 17 September 1939 –the Red Army moved into West Belarus.

**1941** - The start of the Great Patriotic War in Belarus. All of the present-day Belarus territory was occupied by the Germans.

**May 1945** – The Great Patriotic War of the Soviet people against fascist aggressors ended. Belarus became one of the founding members of the United Nations Organization.

**1954** – Belarus enters (UNESCO).

**April 1986** – Chernobyl Nuclear reactor disaster

**1990** - Belarus declared its national sovereignty. The BSSR was formally renamed the Republic of Belarus.

**1991** – USSR collapses, Belarus is proclaimed an independent republic.

**1994** - The first presidential elections were held and Alexander Lukashenko was elected president of Belarus.

**1996** – Belarus Referendum resulted in the amendment of the constitution that took key powers off the parliament.

**1997** – Signing of the Union of Belarus and Russia.

**2001** – Alexander Lukashenko was re-elected as president in elections described as undemocratic by Western observers.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	1.209	5.074
GDP per capita growth (annual %)	3,7	1,6
Long-term unemployment (% of total unemployment)	n.a.	n.a.
Foreign direct investment, net inflows (% of GDP)	n.a.	n.a.
GDP (current US\$, mio)	12.138	49.037
Exports of goods and services (current US\$, mio)	7.186	24.883
Exports of goods and services (% of GDP)	59,2	50,7
Merchandise exports (current US\$, mio)	5.909	21.283
Merchandise exports to high-income economies (% of total merchandise exports)	22,8	42,9
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	65,6	46,5
Ores and metals exports (% of merchandise exports)	0,8	0,7
Agricultural raw materials exports (% of merchandise exports)	3,5	1,5
Food exports (% of merchandise exports)	7,5	10,7
Fuel exports (% of merchandise exports)	9,0	37,3
Manufactures exports (% of merchandise exports)	74,9	47,8
High-technology exports (% of manufactured exports)	n.a.	n.a.

	<b>STiM (СТиМ)</b> Address: 111 Katin Bor, 224025 Brest, Belarus Tel: +375 162 29 90 83 Email: <a href="mailto:contact@stim.by">contact@stim.by</a> Web: <a href="http://stimby.net">http://stimby.net</a>
<b>Company information</b>	
Industry:	Manufacturing of machinery and equipment
Year of establishment:	1997
Sales revenues in 2010:	€ 5 MIO (machines), € 20 MIO (paints)
Revenues in 2000:	€ 0,8 MIO
Average number employees in 2010:	700
Brainer(s) behind the company:	CEO, Deputy Director, Finance Director
<b>Nature of market leadership</b>	
<p>The company offers two types of products: road marking application machines and marking paints with market shares for paints: CIS – 40%, Baltics – 30%, Poland – 40%, Belarus – 60%; and market shares for machines: CIS – 80%, Poland – 35%, Baltics – 30%, Belarus – 60%. The company is an indisputable leader in both segments as it has the largest market turnover compared to its competitors in CIS region.</p>	
<b>Nature of competitive advantage</b>	
<p>The owner of the company believes that STiM's success is due largely to the fact that the company produces both paints and machines. "We understand how the machine works with paint and how the paint behaves". The company positions itself as technical expert in road marking and organizes seminars on the subject for the heads of public utilities and community service companies. Ensuring high quality standards and relatively low prices, the company successfully resists its Western European competitors.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Endorse innovations, invest in new technologies, and don't be afraid to combine the non-combinable with the aim of staying one step ahead of your competitors.</li> <li>2. Study your market segment constantly and tirelessly.</li> <li>3. Don't underestimate the importance of motivation for your staff. Reward them for their excellent performance.</li> <li>4. Know your product and ensure its superb quality at all times.</li> </ol>	

## BOSNIA AND HERZEGOVINA

**Official name:** Bosnia and Herzegovina  
**Type of government:** Parliamentary Democracy  
**Population in 2011:** 3.843.126  
**Land area (in sq. km):** 51.197

### History

**1918** – Bosnia and Herzegovina joins the Kingdom of Serbs, Croats and Slovenes.  
**1929** - The kingdom becomes known as Kingdom of Yugoslavia.  
**1941** - Bosnia and Herzegovina becomes a part of the Independent State of Croatia, a country supportive to Hitler with a fascist puppet government.  
**1945** - After a bitter resistance campaign by partisans under Tito, Bosnia and Herzegovina becomes one of the six constituent republics of the Socialist Federative Republic of Yugoslavia.  
**1980** - Tito dies. The slow disintegration of Yugoslavia begins as individual republics assert their desire for independence.  
**March 1992**– Bosnia and Herzegovina declares its independence from Yugoslavia. Two months later, Yugoslav aggression on Bosnia and Herzegovina starts. The term “ethnic cleansing” becomes known worldwide as Bosnian Serbs begin to ouster parts of Bosnia and Herzegovina from non-Serbs. This was done with political, financial, military and human support from Serbia and Montenegro. The aggression is finalised by the genocide of Bosnian muslims in Srebrenica.  
**1995** – The war ends, leaving a devastated country. Bosnia and Herzegovina had the greatest human and material casualties in the Balkan wars.  
**2002** – Bosnia and Herzegovina becomes a member of Council of Europe.  
**2008** – Bosnia and Herzegovina signs the Stability and Accession Agreement with EU.  
**2009** – Bosnia and Herzegovina enters a visa-free regime with the EU.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	5.060	14.222
GDP per capita growth (annual %)	-2.2	-5.7
Long-term unemployment (% of total unemployment)	53.4	56.2
Foreign direct investment, net inflows (% of GDP)	6.3	4.7
GDP (current US\$, mio)	23.044	63.436
Exports of goods and services (current US\$, mio)	8.418	22.748
Exports of goods and services (% of GDP)	36.5	36.1
Merchandise exports (current US\$)	4.303	10.474
Merchandise exports to high-income economies (% of total merchandise exports)	74.6	69.0
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	16.9	26.5
Ores and metals exports (% of merchandise exports)	2.2	3.6
Agricultural raw materials exports (% of merchandise exports)	4.7	3.6
Food exports (% of merchandise exports)	9.5	12.8
Fuel exports (% of merchandise exports)	7.8	12.9
Manufactures exports (% of merchandise exports)	75.6	66.4
High-technology exports (% of manufactured exports)	8.1	10.9

Source: World Bank, June 2011

	<p><b>Alma Ras Ltd.</b></p> <p>Address: Olovske luke bb, 71 340 Olovo, Bosnia and Herzegovina  Tel: +387 32 823 050  Web: <a href="http://www.alma-ras.com">www.alma-ras.com</a></p>
<b>Company information</b>	
Industry:	Manufacturing and trading of underwear apparel
Year of establishment:	1998
Sales revenues in 2010:	€ 5,5 MIO
Revenues in 2000:	€ 0,3 MIO
Average number employees in 2010:	430
Brainer(s) behind the company:	Rasim Memagić
<b>Nature of market leadership</b>	
<p>Alma Ras holds a leading position in underwear market in Bosnia and Herzegovina. This is not considered as most of its production output is meant to be exported. The company is currently expanding its business, with special focus in Russia and Turkey.</p>	
<b>Nature of competitive advantage</b>	
<p>Continuous improvement of rather small and per se unimportant elements of business will make the company stronger. This management style does not include big, world-changing moves; but the small improvements of business activities made Alma Ras what it is today. Mr Memagić argues: "People often ask what the key to our success was. But there wasn't a key to success. You see, it's all about details. It's the small pieces which need to be put together in order to gain success. And it will drive the company in the future; devotion to work, devotion to become excellent. For instance, improvements in sales are based on constant educational programs and giving the sales force instructions on how to do the job in the best possible way."</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Being a low-cost labour country, position yourself as contractual manufacturer for labour intensive, technologically noncomplex goods like textile.</li> <li>2. Work on constant improvement of details within the production process, customer relations, managing HR, etc.</li> <li>3. Acquire know-how from OEMs. In fact, being the OEMs' suppliers might be the perfect point for learning.</li> <li>4. After you have acquired enough knowledge, your own experience in the business builds and when you have considerably improved your production processes, build up your own brand and leverage it to the regions, which are more price sensitive.</li> </ol>	

	<p><b>Feal Ltd.</b></p> <p>Address: Trnska cesta 146, 88 220 Široki Brijeg, Bosnia and Herzegovina Tel: +387 39 704 269 Email: <a href="http://www.feal.ba">www.feal.ba</a> Web: <a href="mailto:info@feal.ba">info@feal.ba</a></p>
<b>Company information</b>	
Industry:	Manufacturing, trading and projecting of aluminum profiles
Year of establishment:	1976
Sales revenues in 2010:	€ 65 MIO
Revenues in 2000:	€ 10 MIO
Average number employees in 2010:	450
Brainer(s) behind the company:	Tončo Barbarić
<b>Nature of market leadership</b>	
<p>The company has held the leading position in South-East Europe for six years, with increasing business activities on the EU market. Although there are no precise indicators of market shares, the board's rough estimate is that Feal holds more than 50% of aluminium market in the SEE region.</p>	
<b>Nature of competitive advantage</b>	
<p>Feal offers both system design and production at one place. System design of aluminium constructs such as windows and doors is an important element of aluminium production and processing. This implies flexibility and customized approach, which is highly valued by Feal's clients. Thus, flexibility and the full service offer (production and design) are seen as company's distinctive skills by the top management. Beside this, long-term relations with their customers, the extensive knowledge of market and customers' needs, the CEO's strong personality, employees' qualifications and financial strength are also Feal's important competencies.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Design all-around offers.</li> <li>2. Continuously help customers through various suggestions and expertise.</li> <li>3. Never stop improving and correcting your own production process.</li> <li>4. Always toil to meet and exceed the customer expectations.</li> </ol>	

 <p>invento™ media group</p>	<p><b>Invento Media Group Ltd.</b></p> <p>Address: Vrbanjuša 134, 71 000 Sarajevo, Bosnia and Herzegovina Tel: +387 62 437 460 Email: <a href="mailto:info@invento.ba">info@invento.ba</a> Web: <a href="http://www.inventomediagroup.ba">www.inventomediagroup.ba</a></p>
<b>Company information</b>	
Industry:	Manufacturing, trading and projecting of bluetooth advertising solutions
Year of establishment:	2008
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	12
Brainer(s) behind the company:	Sanjin Džonlić
<b>Nature of market leadership</b>	
<p>Invento Media Group (IMG) is the only company in the world that offers a bluetooth device with a cover range of over 500 meters. When it entered the market, IMG had immensely improved the efficiency of clients' resource usage.</p>	
<b>Nature of competitive advantage</b>	
<p>For IMG most important business know-how lies within their innovations. Investments herein exceed 30% of the total revenues. The offering of a new product with supporting software solutions and the pre- and after-sales consultations with their business clients is the major catalyst of this company. Furthermore, loyalty of their employees and their motivation to develop the product further is another key competence. Finally, the flexibility of their offer, i.e. the customized approach to each client can also be counted into one of the most important business competencies.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Design all-around offers.</li> <li>2. Continuously help customers by all kind of suggestions and expertise and customize software for each client.</li> <li>3. If you are in the business of continuous product customization, you are in fact in the business of innovation. Your innovations are the core to success.</li> </ol>	

	<p><b>Lumen Ltd.</b></p> <p>Address: Dubrava bb, 88 344 Drinovci, Bosnia and Herzegovina  Tel: +387 39 672 770  Email: <a href="mailto:info@lumen.ba">info@lumen.ba</a>  Web: <a href="http://www.lumen.ba">www.lumen.ba</a></p>
<b>Company information</b>	
Industry:	Production and trade of candles and decoration articles
Year of establishment:	1986
Sales revenues in 2010:	€ 4 MIO
Revenues in 2000:	€ 1,4 MIO
Average number employees in 2010:	51
Brainer(s) behind the company:	Founder and owner Miro Vekić
<b>Nature of market leadership</b>	
<p>Lumen operates mainly in the candle market. Although this company manufactures different objects for decoration, its star product is the candle – mainly for religious, romantic or catering purposes. Lumen considers itself to be the market leader on the basis of both the revenue and the sales volume.</p>	
<b>Nature of competitive advantage</b>	
<p>Strong leadership and entrepreneurial vision are the most important competencies. Furthermore, a strongly motivated staff of employees and the overall image of the company, especially within the local community, play a vital role. Financial strength and the know-how gained from the world's best candle producers and IKEA were also mentioned as essential to Lumen's success.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Even if in a simple “candle” business, do not discount the role of educated employees. Thus, educate your employees continuously.</li> <li>2. Be in the constant search of how you can improve the production process. Even small improvements could make a huge difference.</li> <li>3. Many of the well functioning business and product solutions have been already discovered by your partners. Gain that know-how from your corporate clients and suppliers.</li> <li>4. Use big globally renowned clients (like IKEA) as an attractor for new clients.</li> </ol>	

	<p><b>Plastex Ltd.</b>  Address: Gračaničkih gazija bb, 75320  Gračanica, Bosnia and Herzegovina  Tel: +387 (0)35 704 890  Email: <a href="mailto:plastex@plastex.ba">plastex@plastex.ba</a>  Web: <a href="http://www.plastex.ba">www.plastex.ba</a></p>
<b>Company information</b>	
Industry:	Production, trade and services of flexible packaging
Year of establishment:	1986
Sales revenues in 2010:	€ 1,6 MIO
Revenues in 2000:	€ 0,77 MIO
Average number employees in 2010:	45
Brainer(s) behind the company:	Founder and owner Sead Hodžić
<b>Nature of market leadership</b>	
<p>The market where Plastex holds a leading position in the Central and Eastern Europe is the product called klip-klap - a promotional requisite which is used in sports, music, political, humanitarian or any other kind of events where promotional requisites are needed.</p>	
<b>Nature of competitive advantage</b>	
<p>Plastex has a continuous system of product quality improvement. This does not imply only the core product's quality, but the whole offer as such. It means that products' prices, distribution, information systems, communication and general cooperation with their suppliers and supportive services to their clients are being constantly improved.</p>	
<b>Core lessons learned on the path to business success</b>	
<p>If you have a technologically simple product with low unit price but with similar quality with products from low-labour countries from distant regions like China, you can outperform competitors due to greater proximity to the market and lower transportation costs. However, this is the only necessary condition. Three other issues are important:</p> <ol style="list-style-type: none"> <li>1. Owner's constant intention to realize the vision of success.</li> <li>2. Continuous desire for improvement and innovation.</li> <li>3. Establishing and maintaining high-rated relations with customers.</li> </ol>	

## CROATIA

**Official name:** Republic of Croatia  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2011:** 4.290.612  
**Land area (in sq. km):** 56.594

### History

**1918** - Croatia joins the Kingdom of Serbs, Croats and Slovenes.  
**1929** - The kingdom becomes known as Yugoslavia.  
**1941** - Nazi Germany invades. A "Greater Croatia" is formed, also comprising most of Bosnia and western Serbia. A fascist puppet government is installed under Ante Pavelic.  
**1945** - After a bitter resistance campaign by partisans under Tito, Croatia becomes one of the six constituent republics of the Yugoslav socialist federation. Croatia is multi-ethnic.  
**1980** - Tito dies. The slow disintegration of Yugoslavia begins as individual republics assert their desire for independence.  
**1991** - Croatia declares its independence. Croatian Serbs in the east of the country expel Croats with the aid of the Yugoslav army. By the end of the year, nearly one-third of Croatian territory is under Serb control.  
**1996** - Croatia restores diplomatic relations with Yugoslavia. Croatia joins Council of Europe.  
**February 2003** - Croatia submits formal application for EU membership.  
**October 2005** - Green light given for EU accession talks to go ahead again even though General Gotovina remains at large.  
**April 2009** - Croatia officially joins NATO.  
**June 2011** - Croatia successfully completes EU accession negotiations, putting it on track to become the 28th member state in mid-2013.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	5.060	14.222
GDP per capita growth (annual %)	-2.2	-5.7
Long-term unemployment (% of total unemployment)	53.4	56.2
Foreign direct investment, net inflows (% of GDP)	6.3	4.7
GDP (current US\$, mio)	23.044	63.436
Exports of goods and services (current US\$, mio)	8.418	22.748
Exports of goods and services (% of GDP)	36.5	36.1
Merchandise exports (current US\$)	4.303	10.474
Merchandise exports to high-income economies (% of total merchandise exports)	74.6	69.0
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	16.9	26.5
Ores and metals exports (% of merchandise exports)	2.2	3.6
Agricultural raw materials exports (% of merchandise exports)	4.7	3.6
Food exports (% of merchandise exports)	9.5	12.8
Fuel exports (% of merchandise exports)	7.8	12.9
Manufactures exports (% of merchandise exports)	75.6	66.4
High-technology exports (% of manufactured exports)	8.1	10.9

Source: World Bank, June 2011

	<p><b>Bodren Ltd.</b></p> <p>Address: Rusnica 64, 49231 Hum na Sutli, Croatia  Tel: +385 098/378 688  Email: <a href="mailto:bodren@kr.t-com.hr">bodren@kr.t-com.hr</a>  Web: <a href="http://www.uhdmo.hr/bodren/">www.uhdmo.hr/bodren/</a></p>
<b>Company information</b>	
Industry:	Wine production
Year of establishment:	1999
Sales revenues in 2010:	€ 128,000
Revenues in 2000:	n/a
Average number employees in 2010:	1
Brainer(s) behind the company:	Founder and owner Boris Drenški
<b>Nature of market leadership</b>	
<p>First in the region in production of sweet and ice wine. This market consists of a group of opinion makers and customers who have profound and aesthetic taste in sweet wines that are difficult and risky to produce.</p>	
<b>Nature of competitive advantage</b>	
<p>The core of competitive advantage in this company is the constant strive of the owner to develop new tastes of the wine and great attention on maintaining high quality of his products. Since he started with the production, quality of the product has been attested by the total of six gold, three silver and two bronze Decanter medals (from 2008-2011), as well as a gold medal in Vienna (2009) and his wine is among top 10 for the Regional Trophy in Eastern and South-East Europe in the category of sweet and organic/biodynamic wines.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Never be fully satisfied with the product you have and always strive to improve it. This argument is especially important if you are in production of luxury goods like sweet and ice wines. To establish, prove and promote your product quality internationally, go for international quality competitions, win the awards and leverage them in your business.</li> <li>2. Such rewards will considerably increase the customers' willingness to pay; hence allow you to charge higher prices.</li> <li>3. Next, once the quality is recognized, you will be able to choose the market to sell in. Once having an established brand, it is better to produce less product of higher quality and manage your individual supply and demand curves.</li> <li>4. Production process is the most important part. Pay maximum attention to the conditions the product is produced in and the methods used.</li> <li>5. Stay an entrepreneur with a strong vision and work hard to achieve it, while combining creativity, persistence, passion, achievement, commitment and utter belief in the ideas you have.</li> </ol>	

	<p><b>DOK-ING Ltd.</b></p> <p>Address: Kanalski put 1, 10 000 Zagreb, Croatia  Tel: +385 1 2481 300  Email: <a href="mailto:info@dok-ing.hr">info@dok-ing.hr</a>  Web: <a href="http://www.dok-ing.hr">www.dok-ing.hr</a></p>
<b>Company information</b>	
Industry:	Engineering and manufacture of remote controlled machinery
Year of establishment:	1991
Sales revenues in 2010:	€ 26,3 MIO
Revenues in 2000:	€ 0,55 MIO
Average number employees in 2010:	117
Brainer(s) behind the company:	Founder and owner Vjekoslav Majetić
<b>Nature of market leadership</b>	
<p>World leader in the production of remote controlled machinery for underground mining and global technological leader in production of remote controlled machines for use in specific conditions considered dangerous for humans (mine fields, fire disasters, bioterrorism). Over the last two decades, the company has created a set of new market niches where this machinery can be used: mining industry, human-rescue operations, etc.</p>	
<b>Nature of competitive advantage</b>	
<p>The main source of company's competitive advantage is the superior expert knowledge gained through continuous innovations in both, machines as a whole and their related features like drive system on batteries, etc. New technical solutions developed are patented. In some novel market niches the company created, like the mining industry, it still has no competition.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Continuously innovate and try to find new solutions to rapidly respond to customer needs. Whether it is a big improvement or just slight change from the previous model, it is the best way to always be at least one step in front of your competition.</li> <li>2. Patent all the solutions to be certain they will be protected for a certain amount of time during which is important to try to find better ones. As well, it will protect your product from being copied and sold at smaller price.</li> <li>3. Leader has to be a dreamer. Everything is possible, you just have to find a way to develop and produce it.</li> </ol>	

	<b>DURANTE M-KVADRAT Ltd.</b> Address: Dankovečka 9, 10 000 Zagreb, Croatia Tel: +385 91 531 7991 Email: <a href="mailto:durante2@yahoo.com">durante2@yahoo.com</a>
<b>Company information</b>	
Industry:	Manufacturing and service-trading cooperatives; Agents involved in the sale of various products (licensed for production and selling joint free slabs – contemporary floor systems without dilatations used in construction industry)
Year of establishment:	2008
Sales revenues in 2010:	€ 0,8 MIO
Revenues in 2000:	n/a
Average number employees in 2010:	3
Brainer(s) behind the company:	Owner Marko Jelušić, partners Renata Jelušić and Branka Merdita
<b>Nature of market leadership</b>	
<p>The only licensed company for production and distribution of joint free slabs in Europe. Its market power has been increasing since the conception of the company. The product is patented by the innovator in Australia and there are only four licenced producers and sellers in different parts of the world, therefore there is direct competition between them.</p>	
<b>Nature of competitive advantage</b>	
<p>Among the competing companies that have the licence for the production and distribution of joint free slabs in Europe, Durante M-Kvadrat is the only one with the advance payment as a method for securing company's capital in products and money in these turbulent times. This created big financial savings for the investor. The company is building up its market reputation and distinctiveness of its market position through quality awards. In particular, the quality of the company's products was confirmed by an Award for Excellence from Concrete Institute of Australia in 2001; in 2006 at the World of Concrete in Las Vegas, where it got more awards from American Concrete Institute and their members, and in 2008 when it won a golden medal as the most innovative product at the largest world construction fair.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Believe in the product you are selling. It won't be easy to change old, settled ways, but that is not the reason to withdraw. With the right branding and recognition of product's quality, you will be able to position your product.</li> <li>2. Patents are important to protect you from the competition and being a licenced producer and seller of a product is making it considerably easier to do business. But this is just the beginning. To be a true champion, the leader has to be an innovator as well and continuously work on development of his own products.</li> <li>3. Make sure that you produce quality products, if possible from the recycled materials, and make it as simple as possible to install, to be user friendly and more rapidly accepted by the customers.</li> </ol>	

## ESTONIA

**Official name:** Republic of Estonia  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 1.340.127  
**Land area (in sq. km):** 45.227

### History

**1227-1918** - Estonia divided between German, Russian, Swedish, Danish, and Polish-Lithuanian rules.  
**1918 24 Feb** - Estonia declared its independence.  
**1918-1920** - Estonian War of Independence: Soviet Russia against the Republic of Estonia.  
**1920 2 Feb** - The Soviet Russia recognized the Republic of Estonia (Tartu Peace Treaty); 1921, the leading countries in the world recognized Estonia *de jure*; Estonia became a full member of the League of Nations.  
**1940** - Soviet Union occupied Estonia; a pro-Soviet puppet government was formed; Western countries did not recognize the changes carried out in the Baltic countries by force.  
**1941-1944** - The invasion of Nazi Germany and Red Army during WWII; reoccupation by the Soviet Union.  
**1980s** - The Estonian independence movement (described as the Singing Revolution).  
**20 August 1991** - The Estonian Supreme Soviet proclaimed Estonian independence, thus restoring the Republic of Estonia; within few years all countries in the world (incl. the former Soviet Union and Russia) recognized Estonian sovereignty.  
**2004** - Estonia got the full member of NATO and joined the EU.  
**1 January 2011** - Estonia adopted the single European currency, the Euro.

Source: Estonica.org, October 2011

### Core Economic Indicators

	1999	2009
GDP (current US\$, mio)	5.705	19.084
GDP per capita (current US\$)	4.147	14.238
GDP per capita growth (annual %)	6.3	-14.1
Total unemployment (% of total labor force)	11.6	13.7
Long-term unemployment (% of total unemployment)	42.7	27.4
Foreign direct investment, net inflows (% of GDP)	5.3	9.2
Exports of goods and services (current US\$, mio)	4.019	13.473
Exports of goods and services (% of GDP)	70.4	70.6
Merchandise exports (current US\$, mio)	3.017	9.031
Merchandise exports to high-income economies (% of total merchandise exports)	80.3	76.2
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	17.6	17.7
Ores and metals exports (% of merchandise exports)	5.1	2.2
Agricultural raw materials exports (% of merchandise exports)	11.9	4.3
Food exports (% of merchandise exports)	11.0	10.2
Fuel exports (% of merchandise exports)	4.5	16.3
Manufactures exports (% of merchandise exports)	67.5	62.3

Source: World Bank, June 2011

	<b>Eesti Energia AS</b> Brand name: ENEFIT Address: Laki tn. 24, 12915 Tallinn, Estonia Tel: +372 715 2222 Email: <a href="mailto:info@energia.ee">info@energia.ee</a> Web: <a href="http://www.energia.ee">www.energia.ee</a> <a href="http://www.enefit.com">www.enefit.com</a>
<b>Company information</b>	
Industry:	Electricity
Year of establishment:	1939
Sales revenues in 2010:	€ 796 MIO
Revenues in 2000:	€ 276 MIO
Average number employees in 2010:	7,353
Brainer(s) behind the company:	CEO Sandor Liive Member of the Management Board (Minerals, Oils, Biofuels) Harri Mikk
<b>Nature of market leadership</b>	
<p>Enefit is the number one oil shale industry in the world and the second largest shale oil producer in Europe. Oil shale is a sedimentary rock that can be found underground; it is a fossil fuel. For about 50 years, Enefit has mined more oil shale than anyone else in the world, in part due to the decisions made in 1940s and 1950s, when Estonia's electricity generation has been based on oil shale. The company earns its main revenue from selling electricity and network services (77%), shale oil (7%), heat (6%), and oil shale (4%). Exports comprise 18% of total sales. Enefit is the second largest producer of shale oil in Estonia and Europe, since Estonia is the only country in Europe where shale oil is commercially produced.</p>	
<b>Nature of competitive advantage</b>	
<p>Although many countries intensively used oil shale between WWI and WWII, it was replaced by crude oil and coal for economic reasons. Estonia continued to develop the methods for utilizing oil shale and today possesses the unique technologies that allow oil shale to be utilized in an efficient and environmentally friendly way. The world's reserves of oil shale are about 3.5 times greater than the reserves of crude oil today. The higher the world price of crude oil, the better the perspectives for the oil shale industry.</p> <p>Shale oil has been a fuel for ships and boiler houses as an alternative to crude oil products. Now Enefit is developing an industry complex with shale oil upgrader to produce high quality Euro 5 diesel fuel, suitable for road vehicle use. As long as the world price for Brent crude oil is above 60 US\$ per barrel, shale oil fuel is competitive. Launching the shale oil upgrader in 2016 will create new horizons for a company that knows how to work with oil shale. The oil shale business is a business that requires technological know-how and the control of oil shale reserves. Enefit has contracts for the use of the latter in the US, Jordan, and Estonia.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Energy security is not just a political issue – in a world where resources are limited, it is also an economic issue. When cheap crude oil runs out, the second best alternative in economic terms will take its place. To establish your competitive strategy, assess how long the dominant product can be sold cheaper than your product and prepare yourself for market penetration. Being hidden but awake may require support from government.</li> <li>2. Innovate because your product is never good enough – and some day you may discover that whole world wants to be your client.</li> <li>3. Access to the resources and technological know-how are extremely important.</li> </ol>	

	<p><b>AS Tallink Grupp</b></p> <p>Address: Sadama 5/7, 10111 Tallinn, Estonia  Tel: +372 640 9800  Email: <a href="mailto:info@tallink.ee">info@tallink.ee</a>  Web: <a href="http://www.tallink.ee">www.tallink.ee</a> (customers)  <a href="http://www.tallink.com">www.tallink.com</a> (investors)  TAL1T (NASDAQ-OMX)</p>
<b>Company information</b>	
Industry:	Sea and coastal passenger water transport services
Year of establishment:	1989
Sales revenues in 2010:	€ 814 MIO
Revenues in 2000:	€ 130 MIO
Average number employees in 2010:	6,612
Brainer(s) behind the company:	CEO Enn Pant
<b>Nature of market leadership</b>	
<p>Tallink Grupp is the number one mini-cruises ferry operator in the world and the number one duty free &amp; retail shop on ferries in the world by revenue. Northern Europe has the world's greatest passenger volumes in maritime transport. The nature of market demand in the northern Baltic Sea differs from the rest of Europe, where fast transfers (shuttles) are dominating. Helsinki, Stockholm, Tallinn, and Riga are the capital cities and attractive short-break destinations. When taking mini-cruises, the passengers often overnight on the ferries and spend a lot of money in the restaurants and shops. Finland's Åland Islands in the northern Baltic Sea are exempted from the EU's VAT rules, and therefore, ferries that stopover at the islands can offer tax-free sales.</p>	
<b>Nature of competitive advantage</b>	
<p>Tallink Grupp achieved a tangible advantage in eyes of the customers by introducing state-of-the-art and cost-effective ferries in 2000s. Today, Tallink Grupp is the number two ferry operator in the world by gross tonnage of ferry fleet and the number one ferry operator in the world by number of beds in ferries. Tallink Grupp's main strengths include knowledge of the market, professional marketing, qualified employees, the atmosphere in the company, the decision-making processes, and last but not least, the continuity of leadership. Capital intensity and a fleet of ferries specific to the market, on the one hand, and knowledge of the market and the established distribution of the market, on the other hand, create barriers to the entry of new players. The living standard of people on the east coast of Baltic Sea is increasing and business volumes have still potential to go up in the Baltic North.</p>	
<b>Core lessons learnt on the path to the business success</b>	
<ol style="list-style-type: none"> <li>1. The business environment is a strategic window – for some period it is closed (in this case during the Cold War) but those who are patient, prepared, and bold can reap great benefits when it opens.</li> <li>2. Customer behaviour is always local but meeting the clients' needs is always universal.</li> <li>3. By focusing on a narrow regional market niche (i.e. oasis) instead of trying to play globally, may still make you into the world's top player in a particular service sector, while the level of world market concentration is low.</li> </ol>	

	<p><b>ÜLO PULLISAAR FIE</b></p> <p>Brand name: JÄRVEOTSA VUTIFARM  Address: Alajõe küla, 41001 Vara vald, Tartumaa, Estonia  Tel: +372 5669 7933  Email: <a href="mailto:omegavutt@gmail.com">omegavutt@gmail.com</a>  Web: <a href="http://www.vutt.ee">www.vutt.ee</a></p>
<b>Company information</b>	
Industry:	Poultry, live and eggs
Year of establishment:	1978
Sales revenues in 2010:	€ 0.4 MIO
Revenues in 2000:	€ 0.1 MIO
Average number employees in 2010:	12
Brainer(s) behind the company:	Owner and CEO Ülo Pullisaar
<b>Nature of market leadership</b>	
<p>Järveotsa Vutifarm is the largest quail farm in Europe, which can accommodate 50 thousand birds at a time and produces 12 million eggs annually. The world's largest quail farms are located in Japan, where quail products play very important role in nutrition. In Europe, quail-keeping is mainly the business of small farmers, although larger agricultural concerns can also be found that have quail products in their portfolio. There is no exact information about the market position of Järveotsa Vutifarm; the only source of data is the company itself. Järveotsa Vutifarm exports comprise 35% of total sales, and it is working to find more customers outside Estonia.</p>	
<b>Nature of competitive advantage</b>	
<p>Estonia started breeding quails in the 1970s, and by 1988 Järveotsa Vutifarm had developed an internationally recognized Estonian breed of quails. Estonian quails are larger and more productive than Japanese quails (80% more meat, 5% more eggs, and 24% bigger eggs); the latter one is more popular among the world's quail growers. Quail eggs contain many useful ingredients (including omega 3 and 6 fatty acids) and quail products are considered as health food. There is also in great demand in the gourmet niche. Järveotsa Vutifarm does not use any preservatives or medicaments in the quail-keeping or production process. The company owns a hatching station, uses modern technology and controls a large part of the supply chain. Very professional and committed people are the key – Ülo Pullisaar has been in quail business for more than 33 years.</p>	
<b>Three core lessons learnt on the path to the business success</b>	
<ol style="list-style-type: none"> <li>1. By developing your main product you develop yourself and your team. One day you may discover that there is no one else in the world that has done better than you in that niche – you will have your own “breed”.</li> <li>2. The personality of the leader is very important, especially for the organisation.</li> <li>3. You need to take risks and have to live with risks even if you are a small entrepreneur.</li> </ol>	

	<p><b>Viru Keemia Grupp AS</b></p> <p>Address: Järveküla tee 14, 30328 Kohtla-Järve, Estonia  Tel: +372 334 2700  Email: <a href="mailto:info@vkg.ee">info@vkg.ee</a>  Web: <a href="http://www.vkg.ee">www.vkg.ee</a></p>
<b>Company information</b>	
Industry:	Fuel oil and gas; lubricating oils
Year of establishment:	1924
Sales revenues in 2010:	€ 126 MIO
Revenues in 2000:	€ 48 MIO
Average number employees in 2010:	1,406
Brainer(s) behind the company:	CEO Priit Rohumaa Member of the Management Board (and CEO of VKG Oil AS) Nikolai Petrovitš
<b>Nature of market leadership</b>	
<p>Viru Keemia Grupp (VKG) is the number two shale oil producer in the world and the first in shale oil producing in Europe. Shale oil is oil produced from oil shale, which can be used as fuel (for the same purposes as that derived from crude oil). Sales of shale oil comprise around 60% of VKG's total revenue. VKG Oil produces around 20% of shale oil in the world (the global leader is the Chinese company Fushun Mining Group Co with production volume totaling 40% of the world's total shale oil production). Since crude oil products are substitute goods for shale oil, there is no separate shale oil market. There are several innovative chemical products developed from oil shale in VKG Oil's product portfolio.</p>	
<b>Nature of competitive advantage</b>	
<p>Estonian oil shale industry is historically divided between three locations. Kohtla-Järve, where VKG headquarters is located, has been the main centre. VKG has been the first mover in developing a modern shale oil industry. It is one of the greatest investors in Estonia, having invested more than € 215 million during last four years primarily in development (including building a new shale oil factory) and environment protection. The unique technologies used by the company for the thermal processing of oil shale allow both small (0-25 mm fraction) and large (&gt;25 mm fraction) oil shale pieces to be utilized. VKG has opened its own mine to be independent and is looking to cooperate with other countries to utilize the oil shale reserves there. In 2015, the company plans to open a gasoline refinery to produce Euro 5 diesel fuel from shale oil. This means that a strong hidden champion is going to be challenging the big champions.</p>	
<b>Three core lessons learnt on the path to the business success</b>	
<ol style="list-style-type: none"> <li>1. Those who don't risk won't be drinking champagne – shortly after privatization the shale oil factory went bankrupt due to the decline in crude oil prices; but only four years later, VKG was among those nominated as the best Estonian company. VKG has many recognized awards for Estonia's best company, investor, exporter, employer, region developer, etc. Excellence in everything.</li> <li>2. For innovation, you can use external ideas or talents, but for execution you need in-house talents. Especially if you are the first mover in the industry.</li> <li>3. It is very difficult to keep your niche position in the value chain, especially if you are profitable and fast-growing. Having control over value chain is important to operate sustainably.</li> </ol>	

	<p><b>AS WENDRE</b></p> <p>Address: Lina 31, 80041 Pärnu, Estonia  Tel: +372 44 90 704  Email: <a href="mailto:admin@wendre.com">admin@wendre.com</a>  Web: <a href="http://www.wendre.ee">www.wendre.ee</a></p>
<b>Company information</b>	
Industry:	Made-up household textile articles
Year of establishment:	1991
Sales revenues in 2010:	€ 76 MIO
Revenues in 2000:	€ 11 MIO
Average number employees in 2010:	745
Brainer(s) behind the company:	Manager of The Supervisory Board Peter Hunt CEO Vahur Roosaar
<b>Nature of market leadership</b>	
<p>Wendre is among the leading bedding manufacturers in Europe. The main products of Wendre are blankets and pillows. Wendre factories produce about 50 different brands (including private labels) and its products are sold via Carrefour, Ikea, Lutz, Tesco, Argos, Jysk, Sotka and some other home textile and furniture retail chains mainly in Europe and the US. There is no exact information about their market position, but their list of long-term partners indicates that Wendre is a respected and large-scale company with high-quality products.</p>	
<b>Nature of competitive advantage</b>	
<p>Wendre is a brilliant example of combining the market and business knowledge of the West with the infrastructure and skilled workforce of the East. Peter Hunt, born in an Estonian family in Sweden, acquired a 26% stake in Wendre in 1996. At the time, he was already a recognized textile businessman in Scandinavia, distributing products via Ikea and similar retail chains. The factory and organisation in Estonia had more than 30 years of experience as textile manufacturer. Today, Peter Hunt owns 100% of Wendre, and its parent company is Trading House Scandinavia AB. Wendre targets large customers; and large customers prefer large suppliers with modern technology and business processes. The philosophy of the company is to be very close to the client and maintain its professionalism in terms of quality (eg, there are some players on the market using cheaper materials in order to selling cheaper). These attitudes, excellence in supply-chain management, and the personal charisma of Peter Hunt have created a loyal customer base and ensured sustainable growth. Taking into account the seasonality of the retail business, Wendre has built enough warehouse space to keep large stocks if necessary. As a next step, the concern has diversified the product line to produce and sell complementary products.</p>	
<b>Three core lessons learnt on the path to the business success</b>	
<ol style="list-style-type: none"> <li>1. Keep your customers, keep your people, and keep your promises.</li> <li>2. Cross-border cooperation provides you with more strengths – find the right partners.</li> <li>3. Peter Hunt: “The right price and large quantities is the key to success.”</li> </ol>	

## HUNGARY

**Official name:** Republic of Hungary  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 10.004.970  
**Land area (in sq. km):** 93.036

### History

**1920** – After the collapse of the Austro-Hungarian Monarchy and signing the Treaty of Trianon, Hungary lost 2/3 of its territory and more than half of its population

**1940** – Hungary joins World War II.

**1945** – At the end of the war, Hungary lost its regained territory again

**1949** – Hungary becomes People Republic under the influence of the Soviet Union

**1989** – Hungary becomes Republic

**1999** – Hungary admitted to NATO

**1 May 2004** – Hungary is one of the 10 new states to join the EU

**January 2011** - Hungary takes over the EU presidency.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	4.692	12.867
GDP per capita growth (annual %)	4,5	-6,1
Long-term unemployment (% of total unemployment)	49,4	42,6
Foreign direct investment, net inflows (% of GDP)	6,9	2,1
GDP (current US\$, mio)	48.044	128.764
Exports of goods and services (current US\$, mio)	31.133	n.a.
Exports of goods and services (% of GDP)	64,8	n.a.
Merchandise exports (current US\$, mio)	25.032	83.777
Merchandise exports to high-income economies (% of total merchandise exports)	91,7	82,0
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	6,3	15,4
Ores and metals exports (% of merchandise exports)	1,9	1,2
Agricultural raw materials exports (% of merchandise exports)	1,1	0,51
Food exports (% of merchandise exports)	8,9	7,8
Fuel exports (% of merchandise exports)	1,6	2,5
Manufactures exports (% of merchandise exports)	85,3	82,2
High-technology exports (% of manufactured exports)	22,6	25,7

Source: World Bank, June 2011

	<p><b>CASON Engineering Plc.</b></p> <p>Address: Velencei út 37, H-2030 Érd, Hungary  Tel: +3623522100  Email: <a href="mailto:office@cason.hu">office@cason.hu</a>  Web: <a href="http://www.cason.hu">http://www.cason.hu</a></p>
<b>Company information</b>	
Industry:	n/a
Year of establishment:	1992
Sales revenues in 2010:	around € 8 MIO
Revenues in 2000:	around € 2,3 MIO
Average number employees in 2010:	80+
Brainer(s) behind the company:	Ferenc Szakács
<b>Nature of market leadership</b>	
<p>CASON is providing system solution for industrial gas-distribution and data-monitoring market, where they have the technological leadership and that is the most advanced technology relative to other providers of similar production.</p>	
<b>Nature of competitive advantage</b>	
<p>CASON has a huge technological advantage, which differentiates them from their competitors. Their solution is completely different both in the product and technology point of view. According to this advantage, CASON can price their solution around 1/10 of their competitors.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Create a niche and do not fear the large MNCs.</li> <li>2. Focus on problem solving, be highly innovative.</li> <li>3. Have a vision and well-educated and motivated employees.</li> <li>4. Push harder if you face contraction in your market.</li> </ol>	

	<p><b>Cyclolab Research&amp;Development Laboratory Ltd.</b></p> <p>Address: Illatos út 7, 1097 Budapest, Hungary  Tel: +3613476060  Email: <a href="mailto:cyclolab@cyclolab.hu">cyclolab@cyclolab.hu</a>  Web: <a href="http://www.cyclolab.hu">http://www.cyclolab.hu</a></p>
<b>Company information</b>	
Industry:	Manufacturer of basic pharmaceutical products
Year of establishment:	1989
Sales revenues in 2010:	around € 1,5 MIO
Revenues in 2000:	around € 1 MIO
Average number employees in 2010:	37
Brainer(s) behind the company:	József Szeitli, Lajos Szente
<b>Nature of market leadership</b>	
CycloLab is the only company in the world in the business of R&D and small-scale manufacturing of all-round cyclodextrin.	
<b>Nature of competitive advantage</b>	
The firm has more than 30-year experience in cyclodextrin research, development and manufacturing. They seized the cyclodextrin market at the right time and they seized its whole value system closing other companies away from the opportunity. Because of this they have no direct competitors.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Emphasize knowledge, leadership, research and development, and motivation.</li> <li>2. Seize the whole value system if you are in a position to do so.</li> </ol>	

	<p><b>Energotest</b></p> <p>Address: Gomba utca 4, H-2330 Dunaharaszti, Hungary          Tel: +3624501150          Email: <a href="mailto:energo@energotest.hu">energo@energotest.hu</a>          Web: <a href="http://energotest.hu/fooldal">http://energotest.hu/fooldal</a></p>
<b>Company information</b>	
Industry:	n/a
Year of establishment:	1989
Sales revenues in 2010:	around € 5 MIO
Revenues in 2000:	around € 3 MIO
Average number employees in 2010:	100
Brainer(s) behind the company:	Tamás Zentai
<b>Nature of market leadership</b>	
<p>Energotest is a rising leader in modular, network-integrated technical testing stations in the car diagnostics industry in the CEE region with an indisputable market leadership in Hungary.</p>	
<b>Nature of competitive advantage</b>	
<p>Energotest has redefined the technical testing station industry by developing a testing station where their buyers can produce more revenue by giving more services to their customers. Energotest also developed modularity, network integration and they constantly develop their mechanical, electronic and software products. Energotest was able to cut down the prices in the industry through their constant development that gave them cost leadership.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. There is a trade-off between financial capital and thinking.</li> <li>2. To be successful one should develop constantly, step-by-step, treat his employees like co-workers.</li> <li>3. Be brave to enrich the company's products and to manipulate the profit position in the industry or the value stream.</li> </ol>	

 <p><b>KÜRT</b> INFORMATION MANAGEMENT</p>	<p><b>Kürt Information Security and Data Recovery Plc.</b></p> <p>Address: Szabadság út. 301, H-2040 Budaörs, Hungary  Tel: +3614246666  Email: <a href="mailto:kurt@kurt.hu">kurt@kurt.hu</a>  Web: <a href="http://kurt.hu">http://kurt.hu</a></p>
<b>Company information</b>	
Industry:	Information technology and computer service activities
Year of establishment:	1989
Sales revenues in 2010:	€ 6 MIO
Revenues in 2000:	€ 0,6 MIO
Average number employees in 2010:	100
Brainer(s) behind the company:	Sándor Kürti
<b>Nature of market leadership</b>	
<p>Kürt is in the business of:</p> <ol style="list-style-type: none"> <li>1. Professional data recovery</li> <li>2. Professional ethical hacking</li> <li>3. Quality assurance in traffic information systems</li> <li>4. Behavioural analysis of information system</li> </ol> <p>In particular, Kürt has been the first in CEE in data recovery for the last 21 years, and in the other three markets segments holds CEE market leadership for the last 4-7 years.</p>	
<b>Nature of competitive advantage</b>	
<p>The core of their competitive advantage is their supreme technology and their integrated so-called “tool-people approach”, where lots of moral, educational and work-related investments are made into people. Because of this, they have the highest success rate in data recovery and ethical hacking in the market.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Have a strong product and develop it constantly.</li> <li>2. Think about the long run and reinvest most of your profits (Kürt is a family business and there was never a question about this).</li> <li>3. Make an ethical workplace where your people enjoy working and they will be motivated and give you the highest performance.</li> </ol>	

## KAZAKHSTAN

**Official name:** Republic of Kazakhstan  
**Type of government:** Presidential Republic  
**Population in 2010:** 15,522,373  
**Land area (in sq. km):** 2,727,300 sq km

### History

**1920-1991** - The Kyrgyz autonomous republic was set up by the Soviet Union and later, in 1925, renamed in Kazakh autonomous republic.

**1929 -1936** - Semi-successful collectivization of agriculture under Stalin's governance; in protest against Stalin's agricultural policy peasants slaughtered their livestock; many of Kazakhs escaped to China. In **1936** the territory was made a full Soviet republic, the Kazakh SSR.

**1953-1965** - Under Nikita S. Khrushchev Kazakh continued to serve as a cultivation for wheat and other cereal grains; decimation of the nomadic Kazakh population and the in-migration of non-Kazakhs continued, turning Kazakh nation into a minority.

**1986 – 1989** -The Soviet Politburo replaced a General Secretary of the Kazakh Communist Party Dimash Konayev (Russia) with Gennady Kolbin (Ukrain); a move resulted in demonstrations, where governmental troops suppressed the unrest, several people were killed and many demonstrators jailed.

**1989 – 1990** - Kolbin was replaced with a Kazakh, Nursultan Nazarbayev; Moscow declared formally the sovereignty of the Kazakh central government, forcing Kazakhstan to elaborate its own statement of sovereignty.

**1991** - formation of Republic of Kazakhstan, Nursultan Nazarbayev was elected President

**1991 - 2010** - Under Nazarbayev governance significant social and economic reforms were made leading country to a significant economic progress; however, the economic growth was mainly induced by the export of large oil, gas, and mineral reserves.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	1.130	7.257
GDP per capita growth (annual %)	3,7	-0,2
Long-term unemployment (% of total unemployment)	n.a	n.a
Foreign direct investment, net inflows (% of GDP)	n.a	n.a
GDP (current US\$, mio)	16.870	115.306
Exports of goods and services (current US\$, mio)	7.163	48.443
Exports of goods and services (% of GDP)	42,4	42,01
Merchandise exports (current US\$, mio)	5.872	43.195
Merchandise exports to high-income economies (% of total merchandise exports)	49,5	43,2
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	29,0	26,1
Ores and metals exports (% of merchandise exports)	21,4	11,2
Agricultural raw materials exports (% of merchandise exports)	1,6	0,2
Food exports (% of merchandise exports)	7,4	3,8
Fuel exports (% of merchandise exports)	45,0	70,6
Manufactures exports (% of merchandise exports)	24,5	14,1
High-technology exports (% of manufactured exports)	9,7	30,0

Source: World Bank, June 2011

	<p><b>ALSI</b></p> <p>Address: Koktem-2 district, 19a, Kazakhstan, Almaty  Tel.: +7 727 297-11-00  Fax: +7 727 297-11-02</p>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities
Year of establishment:	1991
Sales revenues in 2010:	€ 75-80 mio
Revenues in 2000:	€ 40 mio
Average number employees in 2010:	500
Brainer(s) behind the company:	Talgat Baimagambetov
<b>Nature of market leadership</b>	
<p>ALSI is the largest company in Kazakhstan that offers a wide range of information technologies (software solutions) for corporate clients. It has close strategic partnerships with more than 40 global leading IT companies.</p>	
<b>Nature of competitive advantage</b>	
<p>The core competitive advantage of ALSI is a unique network of strategic partnerships with global ICT companies, who try to enter the high-risk countries through local companies like ALSI. ALSI proved itself as a trustworthy partner from the start and hence managed to grow the network of strategic partnerships faster than competitors, and became the leading Kazakh company in the ICT business. Over the two decades of cooperation with leading global ICT companies, ALSI has acquired state-of-the-art ICT and sales knowledge from the best-in-class. With this knowledge it is now trying to expand from Kazakhstan to the whole CIS region.</p>	
<b>Core lessons learnt on the path to the business success</b>	
<ol style="list-style-type: none"> <li>1. If you originate from the country or regions that bear higher risks, serve as an entrance point and hence, as a business partner for global MNC that offer complex products. Prove yourself as a reliable and trustworthy partner and learn from the big players about the technology, sales and marketing.</li> <li>2. Established own educational centre to leverage the learning. Train both internal and external participants. The company's specialists in the process of designing and running these training programs will further raise their own qualification and become better aware of customer problems and mindsets.</li> <li>3. If you are in the corporate business, approach each client individually. Each manager should work with the potential buyer, whether it plans something to buy or not.</li> </ol>	

	<b>Tulpar-Intech</b>  Address: 16, Kabanbai Batyr, 010000 Astana, Kazakhstan
<b>Company information</b>	
Industry:	Machinery and equipment production
Year of establishment:	1989
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	50
Brainer(s) behind the company:	Ersin Kokkozov
<b>Nature of market leadership</b>	
Tulpar-Intech is the only producer of precision instruments for railway industry in Kazakhstan, with strong market position in CIS region as well. In 2001, the company developed a video-gram metric track measuring system (VGTMS-1), which is one of the first non-contact serial instrumentation systems based on laser scanning technology for railways in the world. The most of the sales have been completed in CIS countries, yet the company has started to spread this unique technology on the global markets as well.	
<b>Nature of competitive advantage</b>	
The nature of Tulpar-Intech is that of multiple dimensions. First, the company has good technological capability. Second, it offers a product of superior value for money. Third, it has a visionary leader. Next, the company manages CIS-region-specific risks better than other global competitors. In particular, the company's main product VGTMS-1 systems is a part application of the newest mathematical methods and algorithms also celebrated for small electricity consumption, the use of solar power, light weight and accuracy of measurements. In addition, the company has created this product with considerably lower research budget than competitors are used to use for innovations of such magnitude (similar European R&D cost 70 to 300 million EUR, while the company developed this for much less). Last but not least, the company is now spreading this technological invention from rail industry also into public health services (diagnostic systems alternative to a computer tomography), geological prospecting (application of the newest mathematical methods and modern equipment in geology), agriculture (electronic control of cattle livestock, water deficit problem in different geographical regions of Kazakhstan), and construction.	
<b>Core lessons learnt on the path to the business success</b>	
<ol style="list-style-type: none"> <li>1. Use sound scientific knowledge to build up your business, even if it is currently possible to create easy money by selling Chinese goods and you might be regarded as "abnormal" by others, who are in chase of easy business opportunities.</li> <li>2. If you have good, high-quality product with clear functionality, do not give up your belief in eventual success. After years of initial failure and despair, the firm belief of Ersin Kokkozov eventually resulted in success; from 2006 to 2010 the company's turnover had grown 30 times.</li> <li>3. If you have developed profound technology, boost your business by spreading your technology also to other industries.</li> </ol>	

## LATVIA

**Official name:** Republic of Latvia  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 2,300,000  
**Land area (in sq. km):** 64,589

### History

**1918** - After the end of the First World War on November 18, 1918, Latvia is proclaimed as an independent state for the first time in its history.

**1920** - Peace treaty signed with Russia, some 200,000 refugees return to Latvia. Growth of the Latvian economy begins; focus mostly on export of agricultural products.

**1937** - Latvia had repaid all its external debts and raised some 6 tons of gold in various banks in the United Kingdom, Switzerland and the United States, during Latvia's economic boom.

**June 17, 1940** - Latvia is completely occupied by the Soviet Union. 'Sovietization' of Latvia (i.e. transforming Latvia into a Soviet republic) begins.

**1941** - Holocaust on the territory of Latvia: some 70,000 Jews are murdered. Latvians are recruited into both the army of the Soviet Union and the German SS legion. Some 200,000 Latvians perish on both sides.

**1944 - 45** - renewed Soviet occupation causes mass inflow of inhabitants from other republics of the Soviet Union to Latvia (i.e. mostly Russians, Ukrainians, Belarusians).

**1949** - To prevent resistance from the local intelligentsia and workers in the rural areas to collectivism (establishment of the kolkhoz), the biggest deportation of Latvians is implemented in March 1949. 42,125 Latvians are deported to Siberia and the Far East. Large factories are also constructed during this period; such as the chemical industry, machinery, textiles, production of building materials, pharmaceuticals, electrical and electronic industries are all represented on the relatively small territory of Latvia. In addition to this, there is development of the agricultural sector.

**1985** - With the start of perestroika, the idea of independence becomes more popular in Latvia.

**August 21, 1991** - Latvia regains independence (Parliamentary Democratic Republic). Transition from socialism to a market economy starts with the implementation of various reforms, with collapse of most of the large factories, reorientation to a service economy.

**1994** - Bank crisis in Latvia.

**1998** - Economy of Latvia hit by Russian Crisis.

**2001 - 2007** - Years of rapid economic growth. Latvia, Lithuania and Estonia are labelled as the "Baltic Tigers".

**March 27, 2004** - Latvia joins NATO and the European Union.

**2008** - Latvia hit hard by the world financial crisis.

**2010** - Recovery of the Latvian economy begins with 3.3% GDP growth already forecast in 2011.

Sources: Avots, 2004; Bleiere et al, 2005; Jansone et al, 2008; Sterns, 2002; Svabe, 1990

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	3.049	11.615
GDP per capita growth (annual %)	5.6	-17.6
Long-term unemployment (% of total unemployment)	53.8	26.7
GDP (current US\$, mio)	7.288	26.195
Exports of goods and services (current US\$, mio)	2.942	11.047
Exports of goods and services (% of GDP)	40.4	42.2
Merchandise exports (current US\$)	1.723	7.688
Merchandise exports to high-income economies (% of total merchandise exports)	78.5	59.2
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	19.6	34.6
Ores and metals exports (% of merchandise exports)	4.2	2.8
Agricultural raw materials exports (% of merchandise exports)	29.8	9.9
Food exports (% of merchandise exports)	6.2	17.3
Fuel exports (% of merchandise exports)	2.9	5.1
Manufactures exports (% of merchandise exports)	56.6	60.7
High-technology exports (% of manufactured exports)	4.0	8.3

Source: World Bank, June 2011

	<p><b>Aboards LTD</b></p> <p>Address: Braslas street 29, Riga, LV1084, Latvia  Tel: +371 28691000  Email: <a href="mailto:aboards@aboards.eu">aboards@aboards.eu</a>  Web: <a href="http://www.aboards.eu">www.aboards.eu</a></p>
<b>Company information</b>	
Industry:	Agents specialized in the sale of other particular products
Year of establishment:	2006
Sales revenues in 2010:	€ 0,25 MIO
Revenues in 2000:	n/a (company did not exist)
Average number of employees in 2010:	5 + dealers around the world
Brainer(s) behind the company:	Founder Kriss Spulis
<b>Nature of market leadership</b>	
This is a potential hidden champion, estimated to hold 5% of the global market share in a very competitive market full of rivals (kite boards and kite boarding equipment).	
<b>Nature of competitive advantage</b>	
Good quality products, strong brand name and high-level of loyalty among kite boarding enthusiasts. This is very strong community of people with specific interests and lifestyles, and the company solely focusing on this specific subgroup of customers, managed to outperform big OEM, which are producing whole range of sport equipments, yet are not that much focus to understand and address well the kite boarding freaks.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Focus on a narrow customer segment with specific life-style preferences which are due to specific not well-addressed by OEMs.</li> <li>2. Entering export markets as quickly as possible is crucial.</li> <li>3. Building a strong network of distributors is crucial for entering global markets more quickly and economically.</li> <li>4. Constant innovation, the owner's competence in technology, a clever marketing strategy on an international level, quality control and logistics all matters for success in a global market.</li> </ol>	

	<p><b>Aerodium LTD</b></p> <p>Address: Brivibas street 214M-2, Riga, LV-1039, Latvia  Tel: +371 254 000 10  Email: <a href="mailto:info@aerodium-technologies.com">info@aerodium-technologies.com</a>  Web: <a href="http://www.aerodium-technologies.com">www.aerodium-technologies.com</a></p>
<b>Company information</b>	
Industry:	Activities of amusement parks and theme parks
Year of establishment:	2003
Sales revenues in 2010:	€ 5,1 MIO
Revenues in 2000:	n/a (company did not exist)
Average number of employees in 2010:	100
Brainer(s) behind the company:	CEO and founder Ivars Beitans
<b>Nature of market leadership</b>	
<p>The company is in the business of producing the vertical wind tunnels as well as selling the experience in the vertical wind tunnels, where it holds 50% market share in Europe and currently expanding to the Asian and US markets.</p>	
<b>Nature of competitive advantage</b>	
<p>Pioneers in developing vertical wind tunnel technology that suits wider market needs. They have managed to position themselves among the world leaders in the respective industry through combining technological expertise, product diversification, promotional activities and customer service.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Introducing a product that is very hard to imitate – due to unique knowledge, substantial financial investments and time – can allow a company to target wider market segments more openly and help it to establish a solid foundation for long term success.</li> <li>2. Combining technological innovation with clever market segmentation at the same time as providing a diversified product range is a business model that has brought success to Aerodium and is perhaps also worthy of consideration by other growth-oriented companies.</li> <li>3. Creating the unquestionable commitment of employees that are passionate for the product they deliver is indeed crucial for success on the global level.</li> </ol>	

 <b>Blue Microphones</b>	<b>Blue Microphones LTD</b> Address: 5706 Corsa Avenue, #102, Westlake Village, CA 91362-4057, U.S. Tel: +818-879-5200 Email: <a href="mailto:press@bluemic.com">press@bluemic.com</a> Web: <a href="http://www.bluemic.com">www.bluemic.com</a>
<b>Company information</b>	
Industry:	Manufacture of consumer electronics
Year of establishment:	1995
Sales revenues in 2010:	€ 10 MIO
Revenues in 2000:	€ 0,7 MIO
Average number of employees in 2010:	45
Brainer(s) behind the company:	Founders: Martins Saulespuren and Bernard Wise (since 2008, however, the owners and thus also key decision makers have changed)
<b>Nature of market leadership</b>	
One of the leaders in the US, having 80% of the market share in specific product categories; which is a high-end microphone.	
<b>Nature of competitive advantage</b>	
High-quality microphone, often perceived as the “Mercedes” of microphones, produced for the mass market. Strong brand name. Once the leadership in high-end microphones was established, the company managed to successfully move down the customer pyramid to gain both revenues and profits without destroying its brand at the high-end.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Sometimes positioning a product in, for instance, a certain price category or distinctive market segment – overall not appealing to competitors– might provide enough of a time gap to establish oneself in this market before, following success, imitations from rivals appear.</li> <li>2. Product diversification is an important determinant for success on a global level.</li> <li>3. Knowing the core users of your product and what the users’ task-related problems are, at the same time being able to solve these problems, is one of the keys to attracting and retaining loyal customers.</li> </ol>	

	<p><b>MADARA Cosmetics Ltd</b></p> <p>Address: Sampetera street 2, LV-1046, Riga, Latvia          Tel: +371 67470243          Email: <a href="mailto:info@madara-cosmetics.lv">info@madara-cosmetics.lv</a>          Web: <a href="http://www.madaracosmetics.lv">www.madaracosmetics.lv</a></p>
<b>Company information</b>	
Industry:	Manufacture of perfumes and toilet preparations
Year of establishment:	2006
Sales revenues in 2010:	€ 2,1 MIO
Revenues in 2000:	n/a (company did not exist)
Average number of employees in 2010:	40
Brainer(s) behind the company:	Co-founder and CEO Lotte Tisenkopfa-Iltnerne
<b>Nature of market leadership</b>	
<p>This is a potential hidden champion. The company is currently a leader in the cosmetics market in Latvia, and is rapidly increasing its share in the European eco-cosmetics market niche.</p>	
<b>Nature of competitive advantage</b>	
<p>Good quality eco-cosmetic products, produced in-house to maintain quality. Strong brand name.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Ability to spot opportunity in a timely fashion, ie, in the case of MADARA Cosmetics realizing that there is a considerable growth potential for eco-products in the world market, and that acting fast to take advantage of such an opportunity is crucial for business growth.</li> <li>2. Entering a highly competitive market is much easier for a small business if it successfully establishes itself in a market niche.</li> <li>3. Enter global markets as soon as possible. Focus on quality, employees and networking matter most for a growth-oriented SME.</li> </ol>	

## MACEDONIA

**Official name:** Republic of Macedonia  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 2,077,947  
**Land area (in sq. km):** 25,713

### History

**1918** - After the collapse of the Austro-Hungarian Empire, Macedonia becomes part of the Kingdom of Serbs, Croats and Slovenes.  
**1929** - The kingdom becomes known as Yugoslavia.  
**1941** - Macedonia is occupied by Nazi Germany, Bulgaria and Italy during World War II.  
**1945** - At the end of the war, Macedonia becomes a constituent republic of socialist Yugoslavia.  
**1991** - Macedonia held a referendum where 95.26% voted for independence from Yugoslavia.  
**1992** – Macedonia joins the International Monetary Fund.  
**1993** – Macedonia joins the United Nations.  
**2001 spring** - Insurgency in the Republic of Macedonia  
**2001 August** - Ohrid Framework Agreement signed. The conflict ends  
**2003** - Macedonia officially became member of the WTO.  
**2005** - Macedonia became candidate country for membership in the EU.  
**2008** - Greece blocked the admission of Macedonia in NATO

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	1.833	4.514
GDP per capita growth (annual %)	3.85	-0.75
Long-term unemployment (% of total unemployment)		81.6
Foreign direct investment, net inflows (% of GDP)	2.41	2.69
GDP (current US\$, mio)	3.673	9.221
Exports of goods and services (current US\$, mio)	1.549	4.084
Exports of goods and services (% of GDP)	42.2	44.3
Merchandise exports (current US\$)	1.191	2.691
Merchandise exports to high-income economies (% of total merchandise exports)	68.8	55.2
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	29	31.5
Ores and metals exports (% of merchandise exports)	8.7	3.0
Agricultural raw materials exports (% of merchandise exports)	1.7	0.5
Food exports (% of merchandise exports)	19.1	18.2
Fuel exports (% of merchandise exports)	1.9	1.12
Manufactures exports (% of merchandise exports)	66.4	50.9
High-technology exports (% of manufactured exports)	0.8	3.0

	<p><b>ADING AD, Skopje</b></p> <p>Address: Novoselski pat bb, 1000 Skopje, Macedonia  Tel: +38922034800  Email: <a href="mailto:ading@ading.com.mk">ading@ading.com.mk</a>  Web: <a href="http://www.ading.com.mk">www.ading.com.mk</a></p>
<b>Company information</b>	
Industry:	Manufacture of other articles of concrete, cement and plaster
Year of establishment:	1969 (privatized 1996)
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	100
Brainer(s) behind the company:	Management team
<b>Nature of market leadership</b>	
<p>Ading is a regional leader in production and sales of admixtures and other chemical materials for construction industry. Their products are used in large number of products and materials used in the construction industry. The need of the construction industry to have materials and products that will have characteristics and possibilities to be used in different conditions and places is creating a growing market for the admixtures products.</p>	
<b>Nature of competitive advantage</b>	
<p>At the centre of the competitive advantage of Ading is the strong engineering background of its employees that can offer high-quality technical support to their clients. This, combined with their flexibility as a relatively smaller firm, is their strength.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Early client needs identification is one of the most important lessons. If you know what he needs, you can prepare an appropriate solution faster than the competitors.</li> <li>2. Strong client relations - be there for the customer when he needs you. This helps to get repeated business and create good image.</li> <li>3. In-depth services that help the client to see the complete picture and help him to put the right parts in its place.</li> </ol>	

 <b>KONTI HIDROPLAST</b>	<b>Konti-hidroplast</b>  Address: Industriska bb, 1480 Gevgelija, Macedonia Tel: +38934212064 Email: <a href="mailto:contact@konti-hidroplast.com.mk">contact@konti-hidroplast.com.mk</a> Web: <a href="http://www.konti-hidroplast.com.mk">www.konti-hidroplast.com.mk</a>
<b>Company information</b>	
Industry:	Manufacture of plastic plates, sheets, tubes and profiles
Year of establishment:	1990
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	115
Brainer(s) behind the company:	CEO Boris Madzunkov Founder and former CEO Dimitar Madzunkov
<b>Nature of market leadership</b>	
<p>Konti-hidroplast is a strong regional player in the market for polyethylene and polypropylene pipes. The market is expanding and the pipes are used for a number of different purposes: movement of drinking water, gasification, atmospheric water, sewage, drop-by-drop irrigation systems and for many other fluids. The importance of movement of the water and other fluids in different areas creates a growing market for polyethylene and polypropylene pipes.</p>	
<b>Nature of competitive advantage</b>	
<p>At the core of the competitive advantage of Konti-hidroplast is their strong entrepreneurial spirit combined with the strong determination to always implement the latest technologies and innovations in their product development and production.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Will power and goals come first; it is not easy but you need to stick to them. There are a lot of obstacles that can hinder your development and success, but having this lesson in mind you just continue.</li> <li>2. Do not focus on the short-term gains, but think long term and invest to achieve that. You cannot get rich or become successful very fast, you need to lay down the ground, direct your actions and put in a lot of hard work for many years. It's important the business can endure longer.</li> <li>3. Respect your employees in order for your company to be successful. The employees are very important, especially in hard times. Treating them well brings a lot of important support and energy during the hard times.</li> </ol>	

	<p><b>Mikrosam AD</b></p> <p>Address: Krusevski pat b.b., 7500 Prilep, Macedonia  Tel: +38948400100  Web: <a href="http://www.mikrosam.com">www.mikrosam.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of other special-purpose machinery
Year of establishment:	1990
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	70
Brainer(s) behind the company:	Founder Blagoja Samakoski
<b>Nature of market leadership</b>	
<p>Leader in production of integrated solutions for products from composite materials. The composite materials find larger and larger application in various products from gas tanks to major parts for the new generation of airplanes and satellites. The market for machinery that can create these products is growing rapidly all over the world.</p>	
<b>Nature of competitive advantage</b>	
<p>The core of the competitive advantage is achieved by concentrating on three important technology areas: composites production expertise, motion control and process automation, and specialized software development. With development of highly advanced and integrated solutions and products, Mikrosam has a distinctive product and market position.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Invest in knowledge. If you want to create the most advanced technology and solutions, your people will also need to have the most advanced knowledge. Only by strong and long-term investments in knowledge and learning can this be achieved.</li> <li>2. Create value. If you have a product that has a value or bring value to your customers, the product will be demanded even in the times of crisis.</li> <li>3. Create succession team. Nobody lasts forever, but if you create, educate and train a team that believes in the idea, the values and the goals on which the company was created, you can be sure that the company can last.</li> </ol>	

	<p><b>VIPRO</b></p> <p>Address: Moinski pat bb, 1480 Gevgelija, Macedonia  Tel: +389 2 783 068  Email: <a href="mailto:vipro@t-home.mk">vipro@t-home.mk</a>  Web: <a href="http://www.vipro.com.mk">www.vipro.com.mk</a></p>
<b>Company information</b>	
Industry:	Processing and preserving of fruit and vegetables
Year of establishment:	1993
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	30 (up to 90 during season)
Brainer(s) behind the company:	Founder and CEO Viktor Petkov
<b>Nature of market leadership</b>	
<p>In the niche market of organic food, Vipro's position is even narrower - it produces traditional home made ajvar sauce, pindzur, pickled, roasted, and vacuum packet vegetables, confiture and pasta from peppers and olives. In this niche market, they are global leaders, serving the needs of those who emigrated from the Balkan countries. An increasing trend of people choosing healthy foods and new tastes create an immense opportunity for their products.</p>	
<b>Nature of competitive advantage</b>	
<p>Vipro is using quality fresh raw ingredients, processed in strict time period under strict production standards. Its products are based on the traditional recipes that give distinctive flavour and taste to their products.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Be ambitious. Do not be afraid to raise the bar high, put ambitious goals and take bold steps in achieving them.</li> <li>2. Create an appropriate environment in the company. Identify the right human resources and invest in them.</li> <li>3. Sense the customer needs before your competition. This will help you to create products that will fill in the gaps in niche markets nobody knew existed.</li> </ol>	

## POLAND

**Official name:** Republic of Poland  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 38,200,037  
**Land area (in sq. km):** 312,679

### History

**1918** – Poland regains independence.  
**1921** – War with Soviet Russia.  
**1939** – Nazi Germany and Soviet Union invades Poland.  
**1945** – Red Army “liberates” Polish territories and establishes communist government.  
**1989** – Semi-democratic election and establishment of non-communist government.  
**1999** – Poland admitted to NATO.  
**2004** – Poland joins European Union (EU).  
**2011** – Poland takes over EU presidency.

### Core Economic Indicators

	2000	2010
GDP (current US\$, millions)	171. 276	468.585
GDP per capita (current US\$)	4.454	12.274
GDP growth (annual %)	3.9%	
Long-term unemployment (% of total labor force)	6.1%	2.05%*
Foreign direct investment, net inflows (% of GDP)	5.45%	3.2%*
Exports of goods and services (current US\$, millions)	46.458	167.206*
Exports of goods and services (% of GDP)	33.3%	38.9%*
Merchandise exports (current US\$, millions)	31.747	134.466*
Merchandise exports to high-income economies (% of total merchandise exports)	86.6%	85%*
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	9.8%	12.2%*
Ores and metals exports (% of merchandise exports)	4.9%	3.6%*
Agricultural raw materials exports (% of merchandise exports)	1.8%	1%*
Food exports (% of merchandise exports)	7.9%	11%*
Fuel exports (% of merchandise exports)	5%	3%*
Manufactures exports (% of merchandise exports)	80.3%	79.5%
High-technology exports (% of manufactured exports)	3.3%	5.2%**
Rank in Global Competitiveness Index	-	41

Source: World Bank, June 2011

**List of (potential) Polish Hidden Champions**

Name	Short market leadership description	Revenues (m EUR)	Number of employees	Established
ADB	European leader in pay-tv infrastructure.	300-400	n/a	1995
Ammono	The world leader in one of the technologies for bulk Gallium Nitride (GaN) manufacturing.	< 1	10-50	1999
Asseco	The 6 <sup>th</sup> largest software vendor in Europe.	> 500	>10 000	1991
Axtone	One of the world leaders in energy absorption technology for rail vehicles.	10-50	500-1000	1992
Black-Red-White	Largest furniture manufacturer in Poland with operations in nine countries and sales in 40+ countries.	400-500	7000-8000	1991
Can-Pack	CEE leader in selected metal packaging solutions.	> 500	3000-4000	1989
Canpol	CEE leader in some products for infants and babies.	10-50	100-500	1990
City Interactive	Producer of world best-selling computer games.	1-10	100-500	2002
Codility	World leader in automated assessment tests for software programmers.	n/a	n/a	2009
Cynel	Largest supplier of purest solder in Poland with strong export.	10-50	10-50	1984
DGS	World's top manufacturer of aluminum closures for beverages.	50-100	n/a	1991
Fakro	Second largest roof window supplier in Europe.	200-300	3000-4000	1991
Gamet	Leader for decorative furniture and building accessories in Poland with export to 40+ countries.	10-50	n/a	1987
HTL-STREFA	World's leading manufacturer of safety and personal lancets.	10-50	100-500	1994
Ivona Soft.	Global quality leader in text-to-speech solutions.	1-10	n/a	2001
JAAN NordGlass	One of the leading suppliers of automotive glazing in CEE with an extensive network of service stations.	10-50	500-1000	1991
Kler	Market leader in Poland with strong export of luxurious furniture.	50-100	n/a	1973
Koelner	One of top European manufacturers of fasteners.	100-200	2000-3000	1982
Kopex	World's third largest solution provider for underground and open-pit mining.	>500	6000-7000	1961
Lumel	One of leading European manufacturers of electrical devices for automation and high pressure aluminium castings.	10-50	500-1000	1953
Mago	One of CEE leaders in providing customized solutions for commercial and storage space fitting.	n/a	n/a	1989
Maspex	One of the largest food companies in CEE.	>500	5000-6000	1990
MedicAlgo.	Developer of innovative solutions and systems for signal and data processing in medical applications with majority of sales in the USA.	1-10	10-50	2005
Merida	CEE leader in the sanitary equipment and	10-50	500-1000	1992

	hygienic articles.			
Morpol	World's leading processor of salmon and the market leader in smoked and marinated salmon.	400-500	3000-4000	1996
Nepentes	CEE leader in dermocosmetics.	n/a	n/a	1991
Nowy Styl	Leading European supplier of chairs for all purposes.	200-300	4000-5000	1992
Optopol	World's leading supplier of diagnostics equipment for ophthalmology.	n/a	n/a	1992
PESA	Manufactures electric and diesel train units and low-floor trams – clearly number one in Poland with strong export to Europe.	200-300	2000-3000	1851
Psiloc	Market leader in applications for Symbian OS.	n/a	n/a	1997
Roleski	CEE leader in wet seasoning.	10-50	300-400	1972
Selena	World's fourth largest manufacturer of polyurethane foam.	200-300	1000-2000	1993
Snip.pl	Among global top-3 in automatic bidding for on-line auctions.	1-10	1-10	2001
Solaris	Leading manufacturer of buses and coaches in CEE	300-400	1500-2000	1994
Tele-Fonika Kable	Market leader in CEE in cables and wires	>500	4000-5000	1992
Tanssystem	Leading provider of technological transportation systems for manufacturing facilities in Europe	10-50	n/a	1991
Telesto	Developer and manufacturer of devices and systems atomizing liquids with unique features.	n/a	n/a	2000
TZMO	CEE leader in dressing materials with subsidiaries in 49 countries.	400-500	7000-8000	1951
VTS	European leader in small engines for ventilation and air-conditioning systems.	n/a	n/a	1989
WATT	World's third largest solar collectors manufacturer	n/a	n/a	1998
X-trade Brokers	Largest brokerage house in CEE (present in 20 countries)	n/a	n/a	2002
<b>Average/Median</b>		<b>≈230</b>	<b>≈2800</b>	<b>1987/1992</b>

Source: Internet research/publicly available data and own estimates for the year 2010.

	<p><b>Morphol</b></p> <p>Address: Duninowo 39, 76-270 Ustka, Poland  Tel.: +48 59 814 38 35  Fax: +48 59 814 12 88  Email: <a href="mailto:morphol@morphol.com">morphol@morphol.com</a>  Web: <a href="http://morphol.com">http://morphol.com</a></p>
<b>Company information</b>	
Industry:	Fish processing
Year of establishment:	1996
Sales revenues in 2010:	€ 400-500 MIO
Revenues in 2005:	€ 100 MIO
Average number employees in 2010:	3,000-4,000
Brainer(s) behind the company:	Jerzy Małek
<b>Nature of market leadership</b>	
Morphol is the world leading processor of salmon and the market leader in smoked and marinated salmon.	
<b>Nature of competitive advantage</b>	
<p>Jerzy Małek, the founder and CEO, intuitively sensed a growing demand for smoked salmon in Europe. From the onset he designed (his background is in engineering) a unique processing and smoking equipment and sourced salmon from developed aquaculture in Norway. This superior salmon processing equipment created initial advantage for the company, and, combined with the increasing demand for smoked salmon, resulted in rapidly company growth. The growth was seized both organically and through M&amp;As. Financial capital for financing growth was acquired through IPO; however it was not performed at the Warsaw stock exchange but at Oslo's. In general, the success is based on three pillars: global mentality, quality, efficiency. Global mentality was set up and preserved through international management and supervisory board (CFO and COO come from UK; two board members are Norwegians, two Poles and one Dutchman). The company continues to develop its own production equipment and builds close relations with top suppliers - this backward integration secures production efficiency and full control over quality of end products. And as the result, the company keeps growing.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you want to be a global leader, make sure you have a global mentality; to assure that early on create international management and supervisory board.</li> <li>2. If you want to preserve superior quality and efficiency, integrate backward along the industry value chain.</li> <li>3. Having a product of great quality is not sufficient; back it up also with effective customer service and consumer appeal.</li> </ol>	

	<p><b>Selena Group</b></p> <p>Address: ul. Strzegomska 2-4, 53-611 Wroclaw, Poland  Tel. +48 71 78 38 290  Fax +48 71 78 38 291  Email: <a href="mailto:export@selena.pl">export@selena.pl</a>  Web: <a href="http://www.selena.com/cms">www.selena.com/cms</a></p>
<b>Company information</b>	
Industry:	Construction chemicals
Year of establishment:	1993
Sales revenues in 2010:	€ 200-300 MIO
Revenues in 2005:	€ 70-100 MIO
Average number employees in 2010:	1,000-2,000
Brainer(s) behind the company:	Krzysztof Domarecki
<b>Nature of market leadership</b>	
<p>Selena Group is the fourth largest manufacturer of polyurethane foam in the world and successfully competes with global corporations.</p>	
<b>Nature of competitive advantage</b>	
<p>In 18 years of existence, the company grew from zero to a global player with subsidiaries in more than 30 countries and market presence in more than 50 countries in three continents. This high level of internationalization was achieved both through setting up own subsidiaries as well as through M&amp;As. Second growth driver (after internationalization) has been a very attractive marketing mix. The target clients are professional craftsmen whose purchasing decision-making is driver by high quality at attractive prices. Product quality is sustained and raised through continuous product innovations, always confirmed by independent tests. In spite of superior quality, the prices are around market average – hence price/value ratio of Selena products is very attractive and Selena enters each market relatively easily. In addition, the company delivers complete solutions (one-stop-shop) for targeted customer group (professional craftsmen), which further strengthens company value proposition. Last but not least success driver is the strong leadership of Mr Krzysztof Domarecki. He has been very successful in building an international management company and international structure of top employees with his persistency and highly-educated cosmopolitan mindset.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Though hidden champions predominantly grow organically, one can grow effectively also with well targeted mergers and acquisitions. Selena successfully acquired companies in Turkey, Russia, and Spain. Through M&amp;A one can better manage country-specific risks.</li> <li>2. If you are focused on small scale and have many customers sensitive to price, offer them a set of very attractive price/value products to attract them into your shops; there, offer them a complete set of products/solutions (one-stop-shop), also those with less attractive price/value propositions.</li> <li>3. International expansion can be more effectively pursued, if your core corporate heads possess global mindset. It is important that the CEO and founders are persistent in finding the best top management employees on the global market.</li> </ol>	

## ROMANIA

**Official name:** Romania  
**Type of government:** Unitary semi-presidential republic  
**Population in 2010:** 21,698,181  
**Land area (in sq. km):** 238,391

### History

**1914-20** - Romania entered World War I on the side of the Allies Triple Entente, Central Power conquered most of the country and killed the army. Entente powers gave Transylvania to Romania by the Treaty of Trianon.

**1940** - The Soviet Union occupied Northern Bukovina and Bessarabia, Hungary occupied Northern Transylvania, and Bulgaria occupied southern Dobruja. After 1940, Ion Antonescu and the Iron Guard shared the power over Romania.

**1939-1945** - Romania entered World War II on the side of the Axis powers.

**1944** - Romania changed side and joined the Allies

**1947** - King Michael I was forced to leave the country by the Communists. Romania was proclaimed a republic but it remained under the control of the USSR until 1950s.

**1989** - Nicolae Ceaușescu deepened Romania's police state and imposed a cult of personality, which led to Romanian Revolution. After Ceaușescu, the National Salvation Front, led by Ion Iliescu restored order and democratic measures.

**1990-1996** - Socialist parties governed Romania.

**1993** - Romania applied for membership in the European Union.

**2000** - Social Democrats returned to power with Iliescu.

**2004** - Traian Băsescu was elected president, Romania joined the NATO.

**January 1, 2007** - Romania joined the European Union.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	1.585	7.500
GDP per capita growth (annual %)	-1,0	-8,4
Long-term unemployment (% of total unemployment)	45,2	31,6
Foreign direct investment, net inflows (% of GDP)	2,9	3,9
GDP (current US\$, mio)	35.592	161.110
Exports of goods and services (current US\$ mio)	9.972	53.687
Exports of goods and services (% of GDP)	28,0	33,3
Merchandise exports (current US\$ mio)	8.518	40.633
Merchandise exports to high-income economies (% of total merchandise exports)	79,7	77,8
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	11,6	16,0
Ores and metals exports (% of merchandise exports)	5,2	3,6
Agricultural raw materials exports (% of merchandise exports)	4,8	1,8
Food exports (% of merchandise exports)	5,5	7,4
Fuel exports (% of merchandise exports)	4,8	5,8
Manufactures exports (% of merchandise exports)	78,4	79,0
High-technology exports (% of manufactured exports)	3,1	10,0

Source: World Bank, June 2011

	<p><b>ELECTRA</b></p> <p>Address: Bd. Chimiei nr.8, Iasi, Romania  Tel: +40232214370  Email: <a href="mailto:office@electra.ro">office@electra.ro</a>  Web: <a href="http://www.electra.ro">www.electra.ro</a></p>
<b>Company information</b>	
Industry:	<p>Manufacture of consumer electronics products</p> <p>Electric and electronic industry, Manufacturing of machines and electronic equipment, Imprinted circuits and electronic assemblies</p>
Year of establishment:	1991
Sales revenues in 2009 (for the Group):	€ 3,11 MIO
Revenues in 2000:	€ 0,52 MIO
Average number employees in 2009:	140
Brainer(s) behind the company:	CEO and founder Marian Berdan
<b>Nature of market leadership</b>	
<p>Electra manufactures high-quality interphones and other related security system solutions for wide range of buildings ranging from a single villa to large residential compounds. The company currently covers nearly 70% of Romanian market. Recently, the company has started to grow internationally, when the domestic market could not provide enough of growth opportunities anymore.</p>	
<b>Nature of competitive advantage</b>	
<p>Core of competitive advantage is based on three interlinked factors: innovation, quality, and Romania-based manufacturing. Innovations go beyond aesthetic and functional features and include vertical integration to a better product and market control. In particular, vertical integration and strong R&amp;D are implemented through strategic partnerships with German and US companies. Next, the company stopped their reliance on Chinese imports and third, in cooperation with strategic partners it developed own RFID and thus opened up the market for apartment alarm systems with the programmable card tag. All these activities are supposed to prepare the company to find its way in the EU interphones market.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Make consistent efforts to outgrow competitors when the market expands, through provision of better value to end users on both product and associated service. It may prove difficult to do so because you may not see the reason to work as hard as market expands by itself during economic growth.</li> <li>2. Opportunities cannot grow if you do not prepare for them. Investment in R&amp;D opens doors for strategic alliances and partners that have a mutual interest in your development on both internal and international markets.</li> <li>3. Take care of people. Loyal, dedicated and skilful workers that enthusiastically put their minds and souls in the company to help it sail through the rough waters of economic crisis and prepare to take advantage of the unexpected high tide.</li> </ol>	

	<b>GLIGA Musical Instruments</b>  Address: Str. Pandurilor 120, Reghin, Mureș County, Romania Tel: +40265511011 Email: <a href="mailto:office@gliga.ro">office@gliga.ro</a> Web: <a href="http://www.gliga.ro">www.gliga.ro</a>
<b>Company information</b>	
Industry:	Manufacture musical string instruments
Year of establishment:	1990
Sales revenues in 2009:	€ 2,68 MIO
Revenues in 2000:	€ 1,48 MIO
Average number employees in 2009:	176
Brainer(s) behind the company:	Founder Vasile Gliga CEO Elena Gliga
<b>Nature of market leadership</b>	
<p>There are “THE” string instruments made by Master Luthiers from Italy, France, and Germany, but there is also a market for other fine instruments. Gliga is the largest producer in Europe of string instruments covering all four main categories of the string instruments market: School, Student, Professional, and Maestro, from 1/32 to 4/4.</p>	
<b>Nature of competitive advantage</b>	
<p>Gliga’s competitive advantage lies in two areas: craftsmanship and wood. Employees demonstrate consistent strong-making capability developed through own manufacturing secrets. Next, many competitors have difficulty accessing the high quality of wood, including that which has been in storage for a couple of decades. The very “old” wood is required to produce the Maestro class of violins. Last but not least, string instruments are sold in the virtual shop (internet), depicted in 10 pictures that disappear from the website after purchase. The instrument can be return in seven days if it did not completely satisfy the expectations of the buyer.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Growing a brand takes a long time, perseverance, responsibility, craftsmanship and seriousness. A certain amount of adversity and hardship constitute a positive factor as it strengthens your position and persuades you to export 98% of your output across the world, providing you with more protection during hard economic times.</li> <li>2. When constrained in terms of growth, don’t give up. Think positive and innovate to open up a new niche for customized products. Skilled “luthiers” with a positive attitude and continuous strive to never say “this can’t be done” creates value for both retailers and end users.</li> <li>3. Act as a socially responsible company by providing care for the community. Your employees will be proud and envied by the rest of the community that recognises your achievements.</li> </ol>	

	<p><b>GRAPEFRUIT</b></p> <p>Address: Bd. Poitiers nr.16, Iasi, Romania  Tel: +40332882993  Email: <a href="mailto:office@grapefruit.ro">office@grapefruit.ro</a>  Web: <a href="http://www.grapefruit.ro">www.grapefruit.ro</a></p>
<b>Company information</b>	
Industry:	Branding industry
Year of establishment:	1999
Sales revenues in 2009:	€ 0,69 MIO
Revenues in 2000:	€ 5,000
Average number employees in 2009:	40
Brainer(s) behind the company:	CEO Marius Ursache Founded by Marius Ursache, Stefan Liute and Laurian Gridinoc
<b>Nature of market leadership</b>	
<p>Romanian leader in consulting in marketing, advertising and design of clients' image (usually big domestic and foreign companies). This market is hit hard by economic recessions; however, Grapefruit has managed to provide unprecedented quality of service that propelled it to the leader position in terms of turnover.</p>	
<b>Nature of competitive advantage</b>	
<p>The core of competitive advantage resides in designing solutions that do not only enhance the image "as packaging" but provides the extended user experience based on three key principles applied for everything that the company does: Identify what is <i>Relevant</i> for the end user as it shows interest for the client's needs, build <i>Trust</i> and credibility through your actions and <i>Design</i> meaning solving the real end user problems until someone that is online gets to the <i>flow state</i> when using that application.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Find what is relevant to the end user by using research that provides a deep understanding of his or her behaviour, needs and desires, as the only way to design the right features for the product.</li> <li>2. Focus on passionate and loyal customers in designing product features, and not those that only use the product or application occasionally.</li> <li>3. Master the perspective of your business provided by three hats: <i>Designer and strategist</i> – who gets his hands "dirty" well above the elbow; <i>Manager</i> – who must organize and keep the people happy, budgets under control and the whole organization running; and the <i>Entrepreneur</i> – who must move away from the previous two in order to find a vision and gather appropriate resources in order to generate value.</li> </ol>	

## RUSSIA

**Official name:** Russian Federation  
**Type of government:** Federation  
**Population in 2011 (July):** 138,739,892  
**Land area (in sq. km):** 17,098,242 sq km

### History

**1917-1922** - the Soviets seized control of the government in October Revolution in 1917 resulting in nationalization of land, all industry and small businesses

**December 1922** - the Union of the Soviet Socialist Republics (USSR) was set up by the Russian Communist Party.

**1929 -1939**—a period of massive industrialization with Joseph Stalin setting up the full-fledged control over Russian society.

**1941- 1945** - World War II, where the Soviet Union lost around 27 million people.

**1945 - 1989** – period of Cold War, in which the Soviet Union dominated the Warsaw Pact and opposed the United States in a number of conflicts, including Korean War and Vietnam War.

**1989 - 1991**- breakup of the Union, leading to formation of Baltic republics; Georgian SSR and Moldavian SSR started seeking greater autonomy; ending of USSR, the formation of the Russian Federation in December 1991.

**Fall 1993** – Yeltsin's dispute with parliament "resolved" by Yeltsin calling up tanks on the Russian White House; afterwards Yeltsin imposed the current Russian constitution with strong presidential powers.

**1994 – 1998** - Consequent economic reforms consolidated a semi-criminal oligarchy resulting in deep depression and financial crash of 1998.

**2000-2008** - Vladimir Putin appointed as a Prime Minister; under his governance the Russian economic development came ahead of most other resource-rich countries.

### Core Economic Indicators

	1999	2009
GDP per capita (current USD)	1.210	10.740
GDP per capita growth (annual %)	0.5 %	7.19%
Long-term unemployment (% of total unemployment) <sup>2</sup>	14.6%	8.4%
Foreign direct investment, net inflows billion USD	12,8	114,7
GDP (current USD, mln)	19.180	39.101
Exports of goods and services (current USD, billion)	7.569	468
Exports of goods and services (% of GDP)	n.a.	n.a.
Merchandise exports (current USD, billion)	75	304
Merchandise exports to high-income economies (% of total merchandise exports)	57	62
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	n.a.	28
Ores and metals exports (% of merchandise exports)	n.a.	8
Agricultural raw materials exports (% of merchandise exports)	n.a.	1
Food exports (% of merchandise exports)	n.a.	n.a.
Fuel exports (% of merchandise exports)	n.a.	61
Manufactures exports (% of merchandise exports)	n.a.	n.a.
High-technology exports (current USD million)	n.a.	144

Source: World Bank, June 2011

<sup>2</sup> Demographic institute of Higher School of Economics (electronic bulletin Demoscope)  
<http://www.demoscope.ru/weekly/2009/0397/tema04.php>

	<b>Grishko</b> Address: Proezd Zavoda serp i Molot, Moscow, Russia
<b>Company information</b>	
Industry:	Ballet and dance shoes and costumes production
Year of establishment:	1989
Sales revenues in 2010:	n.a.
Revenues in 2000:	n.a.
Average number employees in 2010:	500
Brainer(s) behind the company:	Nikolai Grishko
<b>Nature of market leadership</b>	
<p>Grishko is the world third producer of pointe shoes for ballet and leader in the production of ballet and dance shoes and costumes for training and performance.</p>	
<b>Nature of competitive advantage</b>	
<p>Grishko possesses the secrets of this complicated and fine art of pointe making and produces at a reasonable price-performance ratio relative to its closest competitors. They also produce pointe shoes exclusively for the most prominent ballet dancers in the world, catering to the specific needs of individuals, as well as different national ballet schools. The demand for Grishko shoes exceeds supply. Nowadays, the company faces a significant gap before its supply meets the demand for its shoes. Why is this so? Grishko's design is known to minimize dancer's feet deformation. The company has also managed to design an efficient business model.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Trace the price differences between domestic and foreign products; especially focus on products where domestic products are of superior quality and offered at much lower prices. If you can manage to produce these arbitrage products yourself, a lucrative business may eventually evolve.</li> <li>2. However, for such products some secrets usually exist. Find the way to the trade and craftwork secrets, for example Mr. Grishko and a colleague of his did a PhD on pointe's craftwork secrets.</li> <li>3. Having good product is necessary but not sufficient for the long-term business success. One needs also a good business model. Hence, before going into large scale business, do in-depth research on industry value chain, potential suppliers, distribution system opportunities and production facilities and feasibility.</li> <li>4. Convince the most demanding clients for your product. For example, Russian theatres had their own workshops producing ballet shoes and costumes, so Grishko had to struggle a lot to convince the dancers to try out his products. Once they were convinced, the business flourished.</li> </ol>	

	<p><b>Luxoft</b></p> <p>Address: 10-3, 1-Volokolamsky proezd, 123060          Moscow, Russia          Tel: +7 495 967 8030          Fax: +7 495 967 8032          Email: <a href="mailto:russia@luxoft.com">russia@luxoft.com</a>          Skype: reception.luxoft</p>
<b>Company information</b>	
Industry:	Production and sale of unique IT and software solutions for banking services, automotive manufacturers
Year of establishment:	1995 as research department of Information Business Systems (IBS), spanned out and incorporated in 2000
Sales revenues in 2010:	€ 143 MIO
Revenues in 2000:	n/a
Average number employees in 2010:	4,300
Brainer(s) behind the company:	Dmitry Loschinin
<b>Nature of market leadership</b>	
Luxoft holds a leading position in the world for specific software production customized to banking services, automobile infotainment and driving, etc.	
<b>Nature of competitive advantage</b>	
Luxoft has superior ICT software and services solutions and is continuously improving through state-of-the-art technological projects for the most demanding and technically advanced sectors of the economy, most commonly for multinationals with significant business presence in Russia. Core to the business are clients from automotive sector, for which Luxoft is producing software solutions related to communications, infotainment, in-car access to online services, messaging, social networking, and multimedia. Even a greater strategic role for Luxoft's long-term development is driven by the aerospace industry, for which Luxoft is developing a whole range of services ranging from customer support, supply chain management, as well as service, engineering and manufacturing data distribution.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Gain access to technological frontiers by operating in the most technologically advanced industries like aero- and airspace industry; and by spreading these technologies to other industries creates value for the society as well as for you.</li> <li>2. Build your global expansion strategy on the professional networks and communities of practice. Try to position yourself centrally; such networks can serve as a door to novel strategic partners as well as help you leverage your brand and reputation globally, and last but not least, it will help you gain access to information and knowledge relevant for your market and business in the future.</li> <li>3. Invest in talent development and the promotion of well-educated employees. Build close ties with best universities, which will channel to you high potentials. This is especially important in the ICT sector, where the programming knowledge development is a non-stop continuous process.</li> </ol>	

	<b>Nanotechnology MDT</b>
<b>Company information</b>	
Industry:	Zond Microscopes production and sale
Year of establishment:	1990
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	300
Brainer(s) behind the company:	Viktor Bykov
<b>Nature of market leadership</b>	
<p>Nanotechnology MDT is the third in the world in production of zoned microscopes with 16% share of the world market in 2010, while its closest competitor holds only 8% of the market share. This type of microscope is increasingly important in materials research and development with a range of industries, from semiconductors to life sciences.</p>	
<b>Nature of competitive advantage</b>	
<p>Nanotechnology MDT started as a research project in 1990 by a group of scientists led by Viktor Bykov, working at the Moscow Institute of Physics and Technology. The research project resulted in the first scanning tunnel microscope (STM) and Viktor Bykov, contrary to majority of the other researchers at the time, decided to commercialize a device called NT-MDT, an electronic and scanning probe microscope. His passionate efforts and vigorous conviction in the product soon brought in first clients, mainly research institutes. Nowadays, the company serves other companies from diverse high-end technological sectors like aerospace, biomedical and life sciences, electronics, nanotechnology, semiconductors and electronics, telecommunications, as well as research centers and universities. MTD's competitive advantage lies in customized production of complex nano-scanning solutions working under a variety of conditions – in vacuum, at extra-high or super-low temperatures, in liquids, and so forth.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you are a scientist with a good discovery in applied sciences, this discovery should not be the end in itself. Try to commercialize the idea with all the passion and vigor you possess. Passion joined with reason will create the necessary energy to start the business ball rolling.</li> <li>2. When trying to commercialize a new discovery, focus first on the research institutes with similar scientists that speak the same language as you and understand deeply the value of your discovery.</li> <li>3. To boost your growth in the future, penetrate universities and encourage students to use your products in their research projects. Design your product as an educational system. These students will one day become the research centers' decision-makers and will already be loyal clients.</li> </ol>	

	<h2>Russian Helicopters</h2> <p>Tel: +7 495 981-6373          Fax: +7 495 981-6395          Email: <a href="mailto:info@rus-helicopters.com">info@rus-helicopters.com</a></p>
<b>Company information</b>	
Industry:	Production and sale of helicopters
Year of establishment:	2003
Sales revenues in 2010:	n/a
Revenues in 2000:	n/a
Average number employees in 2010:	500
Brainer(s) behind the company:	Management team
<b>Nature of market leadership</b>	
<p>Russian Helicopters is ranked fourth in the world and in Europe in production and sale of high weight and efficient helicopters. The company holds market leadership in emerging economies (CIS, Asia, Africa, and Latin America). In CIS region, the company holds 85% of the market share.</p>	
<b>Nature of competitive advantage</b>	
<p>Russian Helicopters is one of the leading players in the global helicopter industry, founded in 2007 as a Joint Stock Company in a form of holding. The holding coordinates activities of five assembly plants, two design bureaus, two component production plants, and one overhaul plant, all of which were previously autonomous. Through this centralized coordination from the holding headquarters, the company manager sizes up the global leadership by centralizing R&amp;D activities, elimination of duplication and other production inefficiencies between plants, and highly unified global marketing sales efforts. The sales activities at the first stage mainly focused on emerging economies (CIS, Asia, Africa, and Latin America).</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you have high-quality, technologically complex product that is produced by separate production plants, their merger under one common governance scheme may reduce inefficiencies, improve R&amp;D successes and increase market power.</li> <li>2. Unify your sales and marketing efforts and focus on emerging economies.</li> <li>3. It is not enough to have only a superior product, make sure that the whole business model design (and especially design of after-sales activities) supports your long-term business success.</li> </ol>	

	<b>Yandex LLC</b> Address: 16, Leo Tolstoy St., Moscow 119021, Russia Tel. +7 495 739-70-00 Fax +7 495 739-70-70 Email: <a href="mailto:pr@yandex-team.ru">pr@yandex-team.ru</a>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities
Year of establishment:	1997
Sales revenues in 2010:	n.a.
Revenues in 2000:	n.a.
Average number employees in 2010:	800
Brainer(s) behind the company:	Ilya Segalovich, Chief Technology Officer, and Arkady Volozh, Chief Executive Officer
<b>Nature of market leadership</b>	
<p>Yandex is the leading internet company in Russia with a mission to provide an answer to any question internet users may have. This is why Yandex is recognized as the most popular search engine in Russian-speaking countries.</p>	
<b>Nature of competitive advantage</b>	
<p>“Yandex”, the word that could be translated into “Yet Another iNDEX”, holds a global leadership position due to superior capability in the three areas of innovation: product, process, and business model. In fact, the company was launched in 1997 as a search engine that took into account Russian language morphology and in 1998 made a second innovation leap by becoming the world leader that started with contextual advertising, which soon turned into the main revenue stream for the company. In 2001 Yandex.Direct was launched, where any user could directly, without any intermediary, place their advertising on Yandex websites. During the first year, more than 2,500 advertisers placed their ads on Yandex. In 2009, Yandex’s innovative approach was manifested in the new method of machine-learning MatrixNet, which presented a significant leap in respect to foreign search engines like Google and Yahoo. In May 2011, Yandex raised \$1.3 bio in an IPO on NASDAQ, which was the biggest US IPO for a dotcom since Google Inc. went public in 2004. Capitalization of the company reached \$8 bio.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If technological innovation is the core of your business leadership, set up your own school, through which you can successfully create and maintain a scientific environment that is favorable for development of new technologies and recruiting new talent.</li> <li>2. If you are in the business where some competitors are stronger on the global level due to network effects (the more connected you are, the more attractive you are for newcomers), then focus on language and region specifics and design your products to better cover them.</li> <li>3. Always try to meet diverse interests of multiple stakeholders, which is well adjusted to the context of CIS market.</li> </ol>	

## SERBIA

**Official name:** Republic of Serbia  
**Type of government:** Republic  
**Population in 2010:** 7,306,677  
**Land area (in sq. km):** 88,360

### History

**1918 – 1929:** Unification of the former Austro-Hungarian Southern Slavs with Serbia in Kingdom of Serbs, Croats and Slovenes. 1929 - The kingdom becomes known as Yugoslavia.

**1941 – 1945:** Germany attacks Yugoslavia, bombing of Belgrade and other cities. The occupation has divided the country. Tito's government abolishes the monarchy and in 1946 declares People's Republic of Yugoslavia with six republics states.

**1948 –** Tito separates Yugoslavia from the Soviet bloc and seeks economic assistance from the United States and Western Europe.

**1989 –** Slobodan Milosevic becomes the president of Serbia.

**1991 –1992:** Slovenia, Croatian and then Macedonia declare independence. 1992 – Bosnia and Herzegovina declares independence, civil war starts. Formation of new Federal Republic of Yugoslavia consists of Serbia (with Kosovo and Vojvodina) and Montenegro

**1995 –** Serbia accepts about 620,000 refugees (Serbs expelled from Croatia and other)

**1995 –** Dayton Peace Agreement.

**1999 –** NATO bombing of Yugoslavia.

**2000 –** Opposition wins Milosevic in the elections

**2003 –** New official name of the country State Union of Serbia and Montenegro. Prime Minister Zoran Djindjic is assassinated.

**2006 –** Montenegro declares independence and Serbia constitutes as independent state

**2008 –** Stabilization and Association Agreement (SAA) is signed

**2009 –** Serbia applies for EU membership; EU unfreezes the trade agreement with Serbia Schengen countries and drapes the visa requirement for Serbian citizens

**2010-2011 -** European Parliament and many other countries ratifies Serbia's SAA.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	2.338	5.872
GDP per capita growth (annual %)	-10,9	-2,7
Long-term unemployment (% of total unemployment)	n.a	n.a
Foreign direct investment, net inflows (% of GDP)	0,6	4,5
GDP (current US\$, mio)	n.a	n.a
Exports of goods and services (current US\$, mix)	3.086	11.800
Exports of goods and services (% of GDP)	17,5	27,4
Merchandise exports (current US\$, mio)	n.a	8.345
Merchandise exports to high-income economies (% of total merchandise exports)	n.a	57,3
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	n.a	32,3
Ores and metals exports (% of merchandise exports)	12,6	n.a
Agricultural raw materials exports (% of merchandise exports)	4,6	n.a
Food exports (% of merchandise exports)	21,6	n.a
Fuel exports (% of merchandise exports)	2,4	n.a
Manufactures exports (% of merchandise exports)	58,8	n.a
High-technology exports (% of manufactured exports)		n.a

Source: World Bank, June 2011

	<p><b>Copper Mill Sevojno</b></p> <p>Address: Prvomajska bb, 31205 Sevojno, Serbia          Tel: +381 31 594-340          Web: <a href="http://www.coppersev.com">www.coppersev.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of basic precious and other non-ferrous metals
Year of establishment:	1952
Sales revenues in 2010:	€ 260 MIO
Revenues in 2000:	€ 68 MIO
Average number employees in 2010:	1,000
Brainer(s) behind the company:	CEO Dragan Subotić
<b>Nature of market leadership</b>	
<p>First in the Western Balkan region and top three in Italy and Austria in production of construction sheets and industrial strips, made by copper and copper alloys fabrication.</p>	
<b>Nature of competitive advantage</b>	
<p>The company has vast experience in copper fabrication. Due to the important role that company products have for their customer business (usually they create the A type of costs), maintaining product quality and its improvement is one of the key success factors and holding the competencies in continuous quality of improvement is the core of company success.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you are in the business where your raw material prices (copper) are determined by the economic situation in the country and in the region, and these prices make the difference in terms of failure and success, develop close ties with customers.</li> <li>2. When external changes, such as drastic increase of raw material prices and reaction of the competition, destabilize your business system, invest all your attention in maintaining your system stability, both in terms of production and financially.</li> <li>3. If you are in commodity business, it is not enough to stay competitive only in price; make sure you are also superior in the quality measured by product quality, delivery, and payment terms.</li> </ol>	

	<p><b>DUOCHEM</b></p> <p>Address: Ruzveltova 38, 11120 Beograd, Serbia          Tel: +381 11 344 0493          Email: <a href="mailto:office@duochem.rs">office@duochem.rs</a>          Web: <a href="http://www.duochem.rs">www.duochem.rs</a></p>
<b>Company information</b>	
Industry:	Manufacture of pesticides and other agrochemical products
Year of establishment:	2000
Sales revenues in 2010:	€ 0,9 MIO
Revenues in 2000:	€ n/a
Average number employees in 2010:	12
Brainer(s) behind the company:	CEO and founder Suren Husinec
<b>Nature of market leadership</b>	
Leader in the market of biocides, rodenticides and insecticides in Serbia with 60% market share.	
<b>Nature of competitive advantage</b>	
DUOCHEM's advantage is the in-house production of basic raw materials that gives the final product an advantage over the competition in quality and price. In addition, manufacturing process complies with highest environmental standards that put DUOCHEM miles ahead from local competitors. Third, the company developed partnership with other providers of chemical products, so that in its own shops clients can buy whatever chemical product they need and wish all in one stop.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Build up knowledge, experience and professional networks in top academic and industrial labs over the world (Serbia, Scotland, USA, France and Armenia).</li> <li>2. Leverage strong scientific background in business by promoting your scientific innovation in professional circles that can provide you with good business opportunities. Then, pursue and meet this opportunities.</li> <li>3. Stay demanding but fair, modest, motivated, persistent and willing to implement highest standards in manufacturing of high quality specialty products on a global level, and niche market products.</li> </ol>	

	<p><b>EXECOM</b></p> <p>Address: Bulevar Kralja Petra I 89, 21000 Novi Sad, Serbia  Tel: +381214770500  Email: <a href="mailto:info@execom.eu">info@execom.eu</a>  Web: <a href="http://www.execom.eu">www.execom.eu</a></p>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities
Year of establishment:	1995
Sales revenues in 2010:	€ 1,7 MIO
Revenues in 2000:	€ 43,236
Average number employees in 2010:	55
Brainer(s) behind the company:	Managing Partners Petar Ulić and Branko Milikić
<b>Nature of market leadership</b>	
Leader in designing custom-made software solutions in Western Europe for the last few years.	
<b>Nature of competitive advantage</b>	
EXECOM builds a competitive advantage on standardized processes, investment in young people, building dedicated “cells” around clients and keeping communication channels open and transparent inside and outside the company. The company is committed to satisfy the most demanding client requirements regarding the ICT issues.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Enter the niche markets with solid domain knowledge. This will already be in the onset to equip you with the capability to pursue more demanding (and hence more profitable) business opportunities.</li> <li>2. Always stand out with the quality of your services and your expertise.</li> <li>3. In order to stay competitive, work with verified technologies which improve software development process.</li> <li>4. If working closely together with clients, the need for innovation is driven by both parties involved. This mutual drive process helps that innovative approach results in efficient and reliable solutions.</li> </ol>	

	<p><b>Novkabel</b></p> <p>Address: Industrijska bb, 21000 Novi Sad, Serbia  Tel: +381 21 44 28 52  Email: <a href="mailto:info@novkabel.com">info@novkabel.com</a>  Web: <a href="http://www.novkabel.com">www.novkabel.com</a></p>
<b>Company information</b>	
Industry:	Electrical machinery and optical equipment
Year of establishment:	1921
Sales revenues in 2010:	€ 2,5 MIO
Revenues in 2000:	€ 25,5 MIO
Average number employees in 2010:	600
Brainer(s) behind the company:	CEO Dragan Cvetković
<b>Nature of market leadership</b>	
<p>Leader in the production of cables, mostly for the electronic and telecommunication industry, in the Western Balkan region. From 2010, market leadership has expanded to CEFTA countries. The business has also expanded to Russia by developing new type of cable, which is customized to customer needs.</p>	
<b>Nature of competitive advantage</b>	
<p>The company is concentrating on contract manufacturing and focusing on a specific type of cables and sub-specialization. After assigned preliminary agreements with customers, Novkabel and customers are developing particular type of the cable together. Their flexibility and expertise in manufacturing, with institutionalization of the entrepreneur, are the key business competencies.</p>	
<b>Core lessons learned on the path to business success</b>	
<p>Novkabel is the company whose products present input components to other manufacturers, who mostly operate in markets where there are a small number of large customers. To succeed in these setting, try to:</p> <ol style="list-style-type: none"> <li>1. Increase market share through proactive approach and strong leadership. Persistency and belief in success are important.</li> <li>2. If doing business with big powerful clients, customize your products to their needs completely and above all, exceed their expectations, meet deadlines and provide superior quality relative to competitors.</li> <li>3. Nourish strategic business relationships with core customers as you would with your own children.</li> </ol>	

	<p><b>PlusPlus NT</b></p> <p>Address: 38 Takovska St., Beograd 11120, Serbia  Tel: + 381 11 3294945  Email: <a href="mailto:kontakt@plusplusnt.rs">kontakt@plusplusnt.rs</a>  Web: <a href="http://www.plusplusnt.rs">www.plusplusnt.rs</a></p>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities
Year of establishment:	2002
Sales revenues in 2010:	€ 0,1 MIO
Revenues in 2000:	n/a
Average number employees in 2010:	6
Brainer(s) behind the company:	Gvozden Marinković
<b>Nature of market leadership</b>	
<p>First in the Western Balkan market as a teletext system producer. Leader in the Balkan region countries, their teletext is covering 100% the Serbian market and it is present in the Balkan region (Montenegro 100%, Macedonia 100%, Bosnia 70%, Croatia, and Slovenia). The business is now expanding into Cyprus and other countries in the region.</p>	
<b>Nature of competitive advantage</b>	
<p>PlusPlus NT is a small company that has stable development in a very competitive and dynamic ICT market. The most important competence of PlusPlus NT today is their ability to combine experience in different areas of ICT and design of teletext systems. Hence, they deliver a good price-quality ratio of their products and services.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. If you are a young and small company, stay patient and persistently build up your experience and range of product and service offerings. If you survive long enough, success will follow.</li> <li>2. When trying to work out long-term partnerships, before the first transaction you need to meet all the deadlines and quality requirements.</li> <li>3. Successful cooperative development efforts are the best marketing tool to win the next business.</li> </ol>	

	<p><b>Prvi partizan AD</b></p> <p>Address: Milosa Obrenovica 2, 31000 Uzice, Serbia          Tel: +381 31 563 442          Email: <a href="mailto:office@prvipartizan.com">office@prvipartizan.com</a>          Web: <a href="http://www.prvipartizan.com">www.prvipartizan.com</a></p>
<b>Company information</b>	
Industry:	Machinery and equipment production
Year of establishment:	1928
Sales revenues in 2010:	€ 45 MIO
Revenues in 2000:	€ 12 MIO
Average number employees in 2010:	707
Brainer(s) behind the company:	Dobrosav Andrić
<b>Nature of market leadership</b>	
<p>Number one in Serbia in producing ammunition for military, sport (shooting) and hunting. In the top five in the North American and Western European market with the main product ammunition to 12.7 mm.</p>	
<b>Nature of competitive advantage</b>	
<p>The company has experienced, highly educated and professional personnel who provide customer satisfaction of various requirements imposed in terms of quality, quantity and conditions of production, as well as the ability to successfully transfer the knowledge and technology and equipment on a "turnkey".</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Exceed professional standards set by international regulatory bodies.</li> <li>2. Invest into development of a global network of customers. This network will attract new customers.</li> <li>3. Relate brand visibility with the functionality and reliability of your products and competitive prices.</li> <li>4. Trace market trends, standards (especially in the area of environmental protection) and investment them proactively (for example in research and development of "ecological" ammunition).</li> <li>5. Build-up "turnkey" service, which classified Prvi partizan among the most important producers of ammunition in the world.</li> </ol>	

	<p><b>RT-RK</b></p> <p>Address: Fruškogorska 11, 21000 Novi Sad, Serbia  Tel: +381 21 4801 100  Email: <a href="mailto:info@rt-rk.com">info@rt-rk.com</a>  Web: <a href="http://www.rt-rk.com">www.rt-rk.com</a></p>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities and partly Research and experimental development on natural sciences and engineering
Year of establishment:	2005
Sales revenues in 2010:	€ 8 MIO
Revenues in 2000:	€ 0,5 MIO
Average number of employees in 2010:	250
Brainer(s) behind the company:	CEO Vladimir Kovačević
<b>Nature of market leadership</b>	
<p>RT-Rk for the last four years is a leader in the EU, USA, Turkish, Israeli and Russian markets in providing cost efficient software and hardware solutions for functional testing of multimedia devices, especially set top boxes and TV sets.</p>	
<b>Nature of competitive advantage</b>	
<p>The nature of their competitive advantage lies in company's capability for design of both hardware and software solutions (while competitors are focused on either/or). This capability has been established through a strategic partnership and close ties with the University of Novi Sad, which has a twofold value: (1) strong advantage regarding price, and (2) educating students for a narrow specific expertise needed by the company.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Establish strong discipline and professional approach among employees. RT-RK has employed over 250 engineers capable of handling projects of different complexity and magnitude.</li> <li>2. Investment in innovation and close cooperation with universities, which ensures further availability of the needed experts as well as expertise.</li> <li>3. Creating a total product, integrating software and hardware when currently offered only by two different set of customers.</li> </ol>	

## SLOVAKIA

**Official name:** Slovak Republic  
**Type of government:** Republic, with parliamentary democracy  
**Population in 2010:** 5,435,273  
**Land area (in sq. km):** 49,035

### History

**Until 1918** – Slovakia is a part of Austria-Hungary.  
**October 28, 1918** - After the end of World War I and dissolution of the Austro-Hungarian Empire, the Slovaks form an independent republic with the Czechs - Czechoslovak Republic (ČSR).  
**1939-1945** - the Slovak Republic became an independent state in Central Europe under Nazi German control.  
**1945** - The victorious powers after the World War II restored Czechoslovakia in 1945. Elections in 1946. The Czechoslovak Communist Party winning 38% of the total vote in Czechoslovakia seized power in February 1948.  
**1968** - Strict Communist control characterized the next four decades, was interrupted only briefly in the so-called Prague Spring of 1968.  
**November 17, 1989** - Velvet revolution brings democracy. Downfall of Communist Party rule in Czechoslovakia. The first free elections in Czechoslovakia since 1948 took place in June 1990.  
**January 1, 1993** – Declaration of independence of Slovak Republic simultaneously and peacefully with Czech Republic. Both states attained immediate recognition from the USA and from their European neighbours.  
**January 1, 1993** - In connection to the split of Czechoslovakia both countries acquired succession in the IMF since 1 January 1993. (Former Czechoslovak Republic was one of the founding members of the IMF.)  
**2000** - Slovakia is invited to join the OECD and is invited by the European Union to begin the accession process.  
**March 29, 2004** - Slovakia admitted to NATO.  
**May 1, 2004** – Slovakia joins EU.  
**January 1, 2009** - Slovakia adopts the single European currency, the euro.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	5.547	16.175
GDP per capita growth (annual %)	-0,05	-6,4
Long-term unemployment (% of total unemployment)	47,7	50,9
Foreign direct investment, net inflows (% of GDP)	1,2	-0,04
GDP (current US\$, mio)	n.a	n.a
Exports of goods and services (current US\$, mio)	18.317	87.169
Exports of goods and services (% of GDP)	61,2	99,5
Merchandise exports (current US\$, mio)	10,211	55,979
Merchandise exports to high-income economies (% of total merchandise exports)	93,03	87,85
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	4,5	9,9
Ores and metals exports (% of merchandise exports)	3,5	2,4
Agricultural raw materials exports (% of merchandise exports)	2,5	1,2
Food exports (% of merchandise exports)	3,9	4,7
Fuel exports (% of merchandise exports)	4,7	4,5
Manufactures exports (% of merchandise exports)	84,9	86,9
High-technology exports (% of manufactured exports)	4,5	n.a

Source: World Bank, June 2011

	<b>ACE enterprise Slovakia, s.r.o.</b> Address: Antolská 4, 851 07 Bratislava, Slovakia Tel: +421269201111; +421902373220 Email: <a href="mailto:alexc@ace-eprise.com">alexc@ace-eprise.com</a> Web: <a href="http://www.ace-eprise.com">www.ace-eprise.com</a>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities
Year of establishment:	2004
Sales revenues in 2010:	€ 1 MIO
Revenues in 2000:	€ 0,2 MIO (in the first year)
Average number employees in 2010:	30
Brainer(s) behind the company:	CEO and founder Alexander Cimbalák
<b>Nature of market leadership</b>	
<p>ACE enterprise Slovakia is the market leader in modern integration of information systems for utilities, modern solutions of intelligent metering and PDA applications for inspections and maintenance of utility networks, as well as worldwide professional consulting in this area. This is a unique technology for quick modelling of central integration hubs and generating complete professional applications for metering and maintenance support over existing systems, mainly SAP.</p>	
<b>Nature of competitive advantage</b>	
<p>The success of ACE Enterprise is based on the fact that it simplifies and integrates control of various complicated systems without any special knowledge and will be able to use them without expertise consultancies. Its innovative approach has ensured them several international awards worldwide.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. When a lot of companies strive with the impacts of financial and economic crisis, it is possible to grow on this "usual" threat. Thanks to the crisis, companies started to assess their situation more carefully trying to find another solutions and ACE Enterprise was able to meet these needs with efficiency. It is important to think out of the usual and "traditional" IT borders and when the market is saturated, develop your own niche by creatively resolving the customer problems.</li> <li>2. Use the know-how of people, motivate them, involve them in the processes, give responsibilities and trust, and let them participate. Diminish borders between the director, manager, and employees. Build the company as a hobby for your employees and as their mission. Appreciate the contribution of the employee – his or her creativity and not the ranking in the organization hierarchy. This company has never sold any license than own products. It exports Slovak know-how.</li> <li>3. Listen to your customers, what they do and what their current problems are and then apply "daily routine". Hence you will become natural part of the customer and you will make the final decision of the management simpler. ACE tries to offer not only solutions suitable for today's needs, but rather the technology enabling their activities in the future. Speak simply about heavy sophisticated issues with the management. Don't be afraid to be different and a little bit controversial while presenting your product.</li> </ol>	

	<b>ESET, s.r.o.</b> Address: Aupark Tower, Einsteinova 24, 851 01 Bratislava, Slovakia Tel: +421232244111 Email: <a href="mailto:marketing@eset.sk">marketing@eset.sk</a> Web: <a href="http://www.eset.sk">www.eset.sk</a>
<b>Company information</b>	
Industry:	Computer programming, consultancy and related activities
Year of establishment:	1992
Sales revenues in 2010:	€ 137 MIO
Revenues in 2000:	€ 0.55 MIO
Average number employees in 2010:	340
Brainer(s) behind the company:	CEO and founder Miroslav Trnka
<b>Nature of market leadership</b>	
<p>The company is an industry leader in proactive malware detection, offering the fastest and the most effective antivirus program worldwide. Its leadership is demonstrated in protecting over 100 million users worldwide and with on-going progress by 524% growth over the past five years and has been included in Gartner's 2009 Magic Quadrant for Endpoint Protection Platforms.</p>	
<b>Nature of competitive advantage</b>	
<p>Antivirus program ESET NOD32 is considered to be one of the fastest and most effective in the world. It holds the world record for the number of Virus Bulletin "VB100 Awards," (UK's independent testing antivirus authority) never to have missed a single "In-the-Wild" worm or virus since the inception of testing in 1998. Hence, the competitive advantage of this ICT company, as typical for the ICT business, lies in the distinctive product, which is relative to the products of competitors and much more holistic.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Establish open and inspiring culture in the company and use the creativity of enthusiastic people to discover new opportunities and ideas. In ESET, what started as the brainchild of a few friends, has evolved into an antivirus program considered to be one of the fastest and most effective in the world.</li> <li>2. A strong and visionary leader with strong intuition and continuity of leadership. <i>CRN</i>, leading international IT trade magazine, has recognized ESET's CEO Miroslav Trnka among the most innovative managers in the field of information technology according to many international rankings and evaluations.</li> <li>3. If everybody takes certain way and you will join them, you probably won't be so much different. It's better to find your own solutions that will distinguish you from your competitors – like better technological level or increased service quality in comparison with "for free" solutions.</li> </ol>	

	<p><b>Grand Power s.r.o.</b></p> <p>Address: Poľovnícka 29, Šalková 974 01 Banská Bystrica, Slovakia  Tel: +421484148753  Email: <a href="mailto:jaroslav.kuracina@grandpower.eu">jaroslav.kuracina@grandpower.eu</a>  Web: <a href="http://www.grandpower.eu">www.grandpower.eu</a></p>
<b>Company information</b>	
Industry:	Manufacture of weapons and ammunition
Year of establishment:	2000
Sales revenues in 2010:	€ 2,9 MIO
Revenues in 2000:	0 (company didn't exist)
Average number employees in 2010:	47
Brainer(s) behind the company:	CEO and founder Jaroslav Kuracina
<b>Nature of market leadership</b>	
Grand Power is designing and producing novel guns and solutions related to guns, and holds significant market shares in Russia, EU, and US (where it received international patents).	
<b>Nature of competitive advantage</b>	
The company does not only produce high quality gun products, their competitive advantage lies in the ability to continuously come with novel gun ideas and solutions. For example, its K100 gun has a unique, patent-protected construction of a locking system based on a locked rotating barrel. This type of locking mechanism enhances the comfort of shooting. The "kick" towards shooter's arm after firing is considerably reduced in comparison to other guns of a similar calibre.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. To have a success, you must be a tad cheeky and a somewhat stubborn man. During his beginnings, Jaroslav Kuracina, the founder and owner of the company, was constantly refused by banks (claiming that idea and patent were not enough) or with other companies in his effort to launch production of his invented product. When he submitted his first patent, he was considered to be a fool. Twelve years later, he is the one who has the reason to laugh. Since his K100 is currently used also by FBI and his business is growing despite of the crisis.</li> <li>2. You should have a passion in what you are doing and have vision. "Pistols are not only guns, they are toys for big children," claims Jaroslav Kuracina. He inherited his passion for guns from his grandfather, who was a partisan in World War II. Jaroslav Kuracina drew a picture of his first gun in his teens and he kept on drawing during his university studies and continued towards his dream till success came in the end.</li> <li>3. The expansion of technical equipment must come hand in hand with investments into employee training and education. Apart from the high level of technical background, which allows offering products of the highest quality, you must offer also reliability and accomplish all requirements regarding industrial security and codification of the products. Grand Power holds the Contractor Industrial Security Certificate and the confidentiality level of inside information that is issued by National Security Office. Protect your products by patents, utility models and trademarks.</li> </ol>	

	<p><b>Kvety.sk, s.r.o.</b></p> <p>Address: Kriváň 351, 962 04 Kriváň, Slovakia  Tel: +421455249236  Email: <a href="mailto:ocen@kvety.sk">ocen@kvety.sk</a>  Web: <a href="http://www.kvety.sk">www.kvety.sk</a></p>
<b>Company information</b>	
Industry:	Retail sale via mail order houses or via internet; retails sale of flowers
Year of establishment:	1999
Sales revenues in 2010:	€ 1,3 MIO
Revenues in 2000:	€ 0,2 MIO
Average number employees in 2010:	25
Brainer(s) behind the company:	CEO and founder Miroslav Očenáš
<b>Nature of market leadership</b>	
<p>The company operates in a very specific industry – flower delivery ordered over internet. This market is mainly created by customers from other countries (110 countries), usually emigrants and people with some connection with Slovakia. It can be defined as a premium market with exclusive products in the area of flower delivery and gifts. It is complicated to measure some market shares globally; in Slovakia this company holds 60% and the nearest competitor has 10%.</p>	
<b>Nature of competitive advantage</b>	
<p>The company provides specific advantages for its customers: guaranties – what customer can see is what the customer gets. Also through customization, they are able to fulfil the customer's whims, and they exclusively provide a high level of services in comparison with their competitors. The main factors of innovations are a trendsetter concept, economies of scale and exploitation of constraint theories. However, at the deeper level the core advantage lies in the design of an effective distribution system, where the company is bypassing many of the mediators in the industry value chain, which all try to appropriate its value of the pie. Next, the company does not bear the fixed costs related to the retail shops.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Design affective and simple distribution system. Company operates from a small village of Kriváň in Slovakia. It has cooperation with own courriers, delivers boxes or purchases flowers from developing countries; Kvety.sk rent the plantations there and the flowers are flown in fresh by airfreight and not from local flower suppliers as competing companies usually do (what the customer can see, he gets with all guaranties).</li> <li>2. Close and trustworthy relationship with the customers and the company are very crucial. In fact, there must be a huge level of trust from customers since 80% of payments go through the credit card (with all service and guaranties). In case you fail to satisfy the customer, there is no second trial.</li> <li>3. To grow further, invest into customer analysis. The company developed its own system monitoring efficiency of purchases and customer accesses ERO – system (efficient advertisement online). It means that they have statistics from all internet addresses of the visitors/customers enabling to address advertising campaigns more effectively. Marketing is very strong tool in this segment.</li> </ol>	

	<p><b>Media Control, s.r.o.</b></p> <p>Address: Stará Vajnorská 37/C, 831 04 Bratislava, Slovakia Tel: +421220862104 Email: <a href="mailto:mediacontrol@mediacontrol.sk">mediacontrol@mediacontrol.sk</a> Web: <a href="http://www.mediacontrol.sk">www.mediacontrol.sk</a></p>
<b>Company information</b>	
Industry:	Electrical, plumbing and other construction installation activities; specialised design activities; manufacture of consumer electronics
Year of establishment:	2004
Sales revenues in 2010:	€ 2 MIO
Revenues in 2000:	0 (company didn't exist)
Average number employees in 2010:	8 own and 2 external
Brainer(s) behind the company:	CEO and founder Mário Lelovský
<b>Nature of market leadership</b>	
<p>Media Control is one of the leading providers of systems for integrating other ICT system in the house into one holistic system. Hence, the company has won for its project "Demonstrating intelligent low-energy house - iDOM" award InAVation Awards in EMEA region (Europe, Middle East and Africa) in the category of the Best Project in Small and Middle Residential Objects and also award as a Best Project of Energetic in 2007.</p>	
<b>Nature of competitive advantage</b>	
<p>In the business of "intelligent buildings and objects for living with complete integration of all systems in the house" one can find usually two competitors: technological security of the building (heating, cooling, ventilation systems, lights) – usually B2B (like Siemens and ABB) or audiovisual fun – usually B2C. However, only this company is the one able to integrate both systems; they were the first who "integrated the integration" into one product (low consumption, fun, ecology, and security).</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Make life simpler for customers. Media Control doesn't deliver technical devices but rather complete intelligent solutions of households where customers are able to use just one central control unit for everything (control of lights, heat, sound, screen, security, etc).</li> <li>2. Enable customers to experience products in extraordinary way. Media Control uses their selling premises as a living room where the whole family can experience the comfortable chair while enjoying coffee in a perfect illusion of a futuristic audio and video experience. Be available and in close touch with your customers while trying to identify and fulfil the customer's ideas and deliver products meeting these requirements.</li> <li>3. Continuously develop new innovative products. What sounds today as sci-fi, could possibly be in a standard household in the next few years. Focus on alternative resources, think environmentally friendly, and be responsible. Media Control won a special prize for its innovative approach towards the solutions of a high-standard household aiming to exploitation of renewable energy sources. Intelligent house iDOM is heated and cooled exclusively from renewable resources and is effective because it also adapts to external conditions.</li> </ol>	

	<b>Sygic, s.r.o.</b> Address: Námestie 1. mája 18, 811 06 Bratislava, Slovakia Tel: +421905489476 Email: <a href="mailto:info@sygic.com">info@sygic.com</a> Web: <a href="http://www.sygic.com">www.sygic.com</a>
<b>Company information</b>	
Industry:	Manufacturing of computer, electronic and optical products
Year of establishment:	2004
Sales revenues in 2010:	€ 6,2 MIO
Revenues in 2000:	0 (company didn't exist)
Average number employees in 2010:	70
Brainer(s) behind the company:	CEO and founder Michal Štencel
<b>Nature of market leadership</b>	
<p>Sygic is a global leader in providing navigation systems for wide range of mobile operating platforms and the company is set to support virtually any newly upcoming operating system. Sygic is the only company in the world to supply software development kit for the Android platform. The company holds strongest positions in Australia and South-East Asia and is attaining countries like Brazil and India. In the CEE region, Sygic is number two. Sygic has been awarded the fastest growing young IT company title in Slovakia. It was the first company to release turn-by-turn navigation for iPhone in 2008 and Nokia N900 Maemo OS (2009), Android (2008) and Bada phones (2010).</p>	
<b>Nature of competitive advantage</b>	
<p>The company holds distinctive innovative capability in the area of navigation software. This capability resulted that Sygic was the first company to combine car navigation, pedestrian navigation and social network into one application, and among the first to be able to integrate navigation plug-in into their mobile IT solutions.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. You must monitor customer feedback and reflect demand – Sygic is open to the voice of the customers by several channels (like Facebook or Twitter). And you must fulfil market needs you discover: Sygic implemented real-time traffic service, pedestrian navigation, wiki city guides and further features based on market needs. According to the founder, if you create something so sophisticated, there is a probability that competition won't follow you.</li> <li>2. The success of the company is often based on the abilities of the founder. In Sygic, the founder has had passion for programming in this field since childhood (wrote first codes when he was 6), background in economics, strong interest in technology, ability to turn a vision into a computer code, strong belief in the team, being open-minded for new projects and ideas, with a strong and charismatic knowledge of the market and networking abilities.</li> <li>3. If there is the threat of crisis, you should be able to revise your current business model. Sygic changed the model of delivering the software to partners and added a new one – sale to final customers through the own webportal and penetrated online shops of Apple (AppStore) or Microsoft (Windows Market Place), utilizing advantages of both of them.</li> </ol>	

## SLOVENIA

**Official name:** Republic of Slovenia  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 2,043,241  
**Land area (in sq. km):** 20,140

### History

**1918** - After the collapse of the Austro-Hungarian empire, Slovenia joins the Kingdom of Serbs, Croats and Slovenes.  
**1929** - The kingdom becomes known as Yugoslavia.  
**1941** - Slovenia is occupied by Nazi Germany and Italy during World War II.  
**1945** - At the end of the war, Slovenia becomes a constituent republic of socialist Yugoslavia.  
**1989** - Slovene parliament confirms the right of the country to secede from the Yugoslav federation.  
**1991** - Slovenia, along with Croatia, declares its independence. The Yugoslav federal army intervenes. Slovene forces defend the country. About 100 people killed. The EU brokers a ceasefire. The Yugoslav army withdraws.  
**1992** - The EU recognises Slovenia's independence, followed by the US. Slovenia joins the United Nations. First parliamentary and presidential elections in the newly independent country.  
**1993** - Slovenia joins the International Monetary Fund.  
**March 2004** - Slovenia admitted to NATO.  
**1 May 2004** - Slovenia is one of 10 new states to join the EU.  
**January 2007** - Slovenia adopts the single European currency, the euro.  
**January 2008** - Slovenia takes over the EU presidency.

### Core Economic Indicators:

	1999	2009
GDP per capita (current US\$)	11.160	23.726
GDP per capita growth (annual %)	5.2	-8.8
Long-term unemployment (% of total unemployment)	42.0	30.1
Foreign direct investment, net inflows (% of GDP)	0.5	-1.2
GDP (current US\$, mio)	22.158	48.477
Exports of goods and services (current US\$, mio)	10.537	28.561
Exports of goods and services (% of GDP)	47.6	58.9
Merchandise exports (current US\$)	8.561	26.369
Merchandise exports to high-income economies (% of total merchandise exports)	86.5	79.1
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	11.2	17.3
Ores and metals exports (% of merchandise exports)	3.8	3.3
Agricultural raw materials exports (% of merchandise exports)	1.6	1.8
Food exports (% of merchandise exports)	3.9	4.2
Fuel exports (% of merchandise exports)	0.6	3.5
Manufactures exports (% of merchandise exports)	90.2	86.9
High-technology exports (% of manufactured exports)	3.9	6.5

Source: World Bank, June 2011

	<p><b>Akrapovič d.o.o.</b></p> <p>Address: Malo Hudo 8a, 1295 Ivančna Gorica, Slovenia  Tel: +38617878404  Fax: +38617878405  Email: <a href="mailto:info@akrapovic.si">info@akrapovic.si</a>  Web: <a href="http://www.akrapovic.si">www.akrapovic.si</a></p>
<b>Company information</b>	
Industry:	Manufacture of other parts and accessories for motor vehicles
Year of establishment:	1990
Sales revenues in 2009:	€ 44,7 MIO
Revenues in 2000:	€ 1,7 MIO
Average number employees in 2010:	415 (according to <a href="http://www.gvin.com">www.gvin.com</a> )
Brainer(s) behind the company:	Igor Akrapovič
<b>Nature of market leadership</b>	
<p>Akrapovič was the first company in the world to design and manufacture titanium exhaust systems for racing motorbikes. Since 2008, the company is establishing itself also as a global leader in custom-made exhaust systems for high-end cars. It county 63 World Champions so far in its 20-year history.</p>	
<b>Nature of competitive advantage</b>	
<p>Igor Akrapovič, who was one of the best super bike racers in Yugoslavia, was very dissatisfied with the state of exhaust systems for bikes; hence, he started designing his own systems in his garage in the early 1990s. The superiority of titanium exhaust system, particularly in terms of durability and power, won him long-term cooperation with leading bike racing teams. In two decades of working with the top bike racing teams in top tournaments Kawasaki, Yamaha, Honda, Ducati, Suzuki etc. he has created a great stock of knowledge and experience in producing of state-of-the-art exhaust systems as well as working with titanium composites, which is also the number one material for fast transportation systems like airplanes and cars. This experience and ability to learn fast is the core of company business success.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. In order to deliver new ideas to the market faster than competitors, work with directly with the most demanding customers in your range of products. For example, in exhaust systems leading teams in Formula 1 or bike championships are.</li> <li>2. If product excellence is what fuels you, once the company gets too big, pass the management over to professional experts and position yourself in the R&amp;D department. As the core owner, you will still have enough discretion power over the company's future.</li> <li>3. Develop and invest in a distinctive knowledge base, strive for the toughest clients, win them, learn from them, and grow further from your superior knowledge base.</li> </ol>	

	<p><b>ATech elektronika d.o.o.</b></p> <p>Address: Bač pri Materiji 30, 6242 Materija, Slovenia  Tel: +386 (0)8 200 88 00  Fax: +386 (0)8 200 88 01  Email: <a href="mailto:info@atech.si">info@atech.si</a>  Web: <a href="http://www.atech.si">www.atech.si</a></p>
<b>Company information</b>	
Industry:	Manufacture of other electrical equipment
Year of establishment:	1990
Sales revenues in 2010:	€ 5,5 MIO
Revenues in 2000:	€ 1,4 MIO
Average number employees in 2010:	69 (data from <a href="http://www.gvin.com">www.gvin.com</a> )
Brainer(s) behind the company:	Davor Jakulin, Massimo Makovac
<b>Nature of market leadership</b>	
<p>For its customers, ATech is a reliable partner that makes them excel in their own business. This is achieved in providing end customer centric solutions that help ATech's customers to differentiate their products and offerings to the end customer.</p> <p>ATech provides cost effective solutions in the field of electronics design and manufacturing, specializing in the biomass combustion control, electronics manufacturing services (EMS) and in custom designed motor controls for various markets as home appliances, power tools and industrial systems electronics.</p>	
<b>Nature of competitive advantage</b>	
<p>ATech's competitive advantage comes from helping its customers to differentiate their products on the market by providing innovative and cost-effective solutions that excel in terms of design, user friendliness and energy efficiency.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Always try to understand your customer's business and needs.</li> <li>2. Think on how you can add value to your customer's business.</li> <li>3. Think on how you can help your customer bring benefits to their customers.</li> </ol>	

	<p><b>BIA Separations d.o.o.</b></p> <p>Address: Mirce 21, 5270 Ajdovščina, Slovenia  Phone: +386 59 699 500  Fax: +386 59 699 599  Web: <a href="http://www.biaseparations.com">www.biaseparations.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of other chemical products
Year of establishment:	1994
Sales revenues in 2010:	€ 3,1 MIO
Revenues in 2000:	€ 0,3 MIO
Average number employees in 2010:	41
Brainer(s) behind the company:	Aleš Štrancar
<b>Nature of market leadership</b>	
<p>Bia-Sepaartions is the world leader (and the only one) in CIM monolithic columns technology - the most cost efficiency technology used in purification stage of bio-drug production process. The rough estimate is that overall Bia-Separations holds a 30% market share in the world of intelligent filters. However, this is still an emergent market niche with big prospects for the future.</p>	
<b>Nature of competitive advantage</b>	
<p>A critical phase in the bio-drug production process is the isolation of the right bio-molecules out of bio-organisms and cleaning the products in the right concentrations of the right substances. This purification process is the critical stage in bio-drug production and consumes a great deal of time, effort and money. Bia-Separations has developed special intelligent filters that make this purification process 40% more time and cost efficient. Though customers (big pharmaceuticals) are buying intelligent filters from Bia-Separations in relatively small quantities and big streams of revenues have not yet been created, once their drugs get FDA approvals, the expected revenue streams are substantial.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. To make the small high-tech company sustain in the business where the expected though high revenues streams are yet distant, the leadership is the critical ingredient for growth and survival. Persistence, passion, knowledge, entrepreneurship, and strong professional networks of Aleš Štrancar is one of the core drivers that brought Bia-Separations to where it is now.</li> <li>2. When more than 50% of all revenues are reinvested back into R&amp;D and product revenues streams are weak, financing may be an issue. Due to weak asset structure banks do not provide appropriate financing mechanisms, hence venture capital funds and even more so business angels can be crucial.</li> <li>3. Professional networks of company CEO are the source of best business opportunities. Make sure that you position well and centrally in these networks.</li> </ol>	

	<p><b>BISOL Group, d.o.o.</b></p> <p>Address: Latkova vas 59a, 3312 Prebold, Slovenia  Tel: +38637032250  Fax: +38637032263  Email: <a href="mailto:info@bisol.si">info@bisol.si</a>  Web: <a href="http://www.bisol.net">www.bisol.net</a></p>
<b>Company information</b>	
Industry:	Manufacture of other electrical equipment
Year of establishment:	2006
Sales revenues in 2010:	€ 60 MIO
Revenues in 2000:	0 (the company didn't exist)
Average number employees in 2010:	125 (data from <a href="http://www.gvin.com">www.gvin.com</a> )
Brainer(s) behind the company:	Uroš Merc
<b>Nature of market leadership</b>	
<p>BISOL is among top three top quality photovoltaic module producers (highest yield (electricity extraction) and lowest degradation over time) in the world.</p>	
<b>Nature of competitive advantage</b>	
<p>BISOL was established in 2008 by dr. Uroš Merc – a doctor of physics, who earned experience, knowledge and ideas at the most advanced institutes around Europe. BISOL started as a manufacturer of high-quality photovoltaic modules for solar power plants. It offered premium priced PV modules, characterized by the excellent energy efficiency ratio and products durability and longevity. After successfully targeted Western Europe with its photovoltaic modules, BISOL started to integrate into the construction of turn-key photovoltaic installations. In this emerging market, BISOL is the market leader in Slovenia, and the engineering team designs PV systems that have probably the highest possible yields. BISOL power plants have been built in Slovenia, the Czech Republic, Italy and a few other CEE countries. Moving even further, by building such plants for themselves, BISOL became the highest efficient “solar electricity” producer.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Understand customer's needs in detail and use the scientific knowledge and business competences to satisfy those needs better than anyone else.</li> <li>2. Always question the existing technological solutions by tapping deeper in a knowledge domain and wider to other domains, to produce cost effective and top quality products.</li> <li>3. To extract more value from the emerging industry value chain, move forward and appropriate those areas where value-added can be generated. BISOL moved from producer of a single component (photovoltaic modules) to an engineer of photovoltaic installations, to installer of turn-key photovoltaic installations, to solar energy provider.</li> <li>4. Company is people. You cannot grow if you cannot assure the proper flow of high quality employees. BISOL does a good deal of work in attracting the high-potential from the region.</li> </ol>	

	<p><b>Euro Plus d.o.o.</b></p> <p>Brand: NiceLabel  Address: Ulica Lojzeta Hrovata 4c  SI-4000 Kranj  Tel: +38642805000  Fax: +38642331148  Email: <a href="mailto:info@europlus.si">info@europlus.si</a>  Web: <a href="http://www.europlus.si">www.europlus.si</a></p>
<b>Company information</b>	
Industry:	Computer programming activities
Year of establishment:	1992
Sales revenues in 2010:	900% growth compared to 2000 (group)
Revenues in 2000:	
Average number employees in 2010:	60 (group)
Brainer(s) behind the company:	Zvonko Duplančič. Andrej Zrimšek, Matej Košmrlj
<b>Nature of market leadership</b>	
<p>Euro Plus is one of the global leaders in the software service of design and printing of labels with bar codes and RFID labels. Euro Plus brands its product under NiceLabel. Currently NiceLabel printing software is number four with 15% of the global market share and significant presence in more than 60 countries. Company holds subsidiaries in Germany, China, Singapore, and the USA.</p>	
<b>Nature of competitive advantage</b>	
<p>In recent years NiceLabel has started to gain market share over its three competitors due to a few key strategic moves. Firstly, NiceLabel enlarged the functional possibilities, flexibility, and simplicity of its products. Secondly, it leveraged its superior product quality, reinforced by the fact that the company is serving as a strategic partner to some of the biggest manufacturers of labelling printers, to strengthen distribution networks. These strategic moves have begun to pay off with increased purchasing of labelling printers using NiceLabels software and hence increasing global market share. In the company portfolio there are hundreds of thousands of companies, including IKEA, Boeing, Daimler Chrysler, Hugo Boss, Nestle, GlaxoSmithKline, Unilever, Philips, Benetton and others.</p>	
<b>Core lessons learnt on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Make you product superior to products of competitors by adding more flexibility and simplicity to it.</li> <li>2. If you manage to establish a partnership with some big, world-known customers, use examples of such partnership as a proof of reliability and quality of your products.</li> <li>3. If you run learning labs and workshops for your clients, observe carefully where they have troubles and problems and use this as core information in the next round of product improvement process.</li> </ol>	

	<p><b>Genelitik, d.o.o.</b></p> <p>Address: Pot k sejmišču 26a, 1231 Ljubljana, Črnuče, Slovenia  Tel: +38682053691  Fax: +38615606826  Email: <a href="mailto:info@lifegenetics.eu">info@lifegenetics.eu</a>  Web: <a href="http://www.lifegenetics.eu">www.lifegenetics.eu</a></p>
<b>Company information</b>	
Industry:	Other research and experimental development on natural sciences and engineering
Year of establishment:	2008
Sales revenues in 2010:	€ 0,13 MIO
Revenues in 2000:	0 (the company didn't exist)
Average number employees in 2010:	2 (data from <a href="http://www.gvin.com">www.gvin.com</a> )
Brainer(s) behind the company:	Jure Zadavec, Tomaž Zorger
<b>Nature of market leadership</b>	
<p>Genelitik is a biotech start-up established in 2008 that operates in the niche market of personal genomics. Based on the analysis of genetic information they provide advice on optimal nutritional and lifestyle choices to prevent possible illnesses and improve the quality and longevity of the life of their customers. This is one of the first services of this kind in Europe.</p>	
<b>Nature of competitive advantage</b>	
<p>Genelitik was kicked off after receiving the prize for the best and most innovative business plan on the national competition Podjetna Primorska in 2008. The product range of Genelitik is represented by the brand name LifeGenetics TM and consists of products helping individuals to find the optimal nutritional and lifestyle choices to prevent possible illnesses or for faster and successful weight loss diet. The company initially started offering products via the internet to a B2C segment. However, this approach yielded little business growth. Therefore, learning by evaluating their past actions, Genelitik has re-focused its energies on the B2B arena, more specifically on the specific customer group of fitness and wellness centres. Company is considered as a high potential already with some elements of the hidden champion type of company.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. You do not need big resources to start off the business. What you need is a good idea; you need to know some people that might be interested in your product, and courage to start the business.</li> <li>2. If you have a very advanced product, belief in your product and focus on the narrow customer group (in case of Genelitik wellness centres) that may see fast how your product can create a value for their business.</li> <li>3. Build up strong strategic partnerships with bio-tech companies with already established reputation and market from the West. Genelitik has especially strong ties with NeoCelica, member of Cryo-Save Group, Europe's leading stem cell bank.</li> </ol>	

	<p><b>Geneplanet d.o.o.</b></p> <p>Address: Tehnološki park 24, 1125 Ljubljana, Slovenia  Tel: +38659251111  Email: <a href="mailto:info@geneplanet.com">info@geneplanet.com</a>  Web: <a href="http://www.geneplanet.com">www.geneplanet.com</a></p>
<b>Company information</b>	
Industry:	Research and experimental development on biotechnology
Year of establishment:	2008
Sales revenues in 2010:	€ 0,42 MIO
Revenues in 2000:	n/a
Average number employees in 2011:	9 (3 in 2010)
Brainer(s) behind the company:	Marko Bitenc
<b>Nature of market leadership</b>	
<p>Geneplanet is also a bio-start-up, a number one in Slovenia in providing the product of “advice for prevention of potential (curable) diseases based on genetic analysis”. Geographically Geneplanet is in the process of expanding to CEE region and B2C market. Though the company is still a start-up, it already holds some of the properties of the hidden champion type of the company.</p>	
<b>Nature of competitive advantage</b>	
<p>Geneplanet offers analyses of potential (curable) diseases along with analyses of sensitivity to medications: analysis of risk for potential diseases, analysis of special personal traits and talents; analysis of reaction, sensitivity and side effects of medicaments; and analysis of ancestry. They have developed own technology, which they try to apply in EU markets to individuals as well as to the medicine sector in Germany, Spain, France, Italy, Slovenia, Serbia, and UK. Geneplanet strategy is not to be focused narrowly on a specific group of B2B; instead they have established strategic partnerships with distinctive competencies in the area of marketing and distribution, complementary elements of the Geneplanet value chain. One of the prospects for strategic growth is leveraging strategic partnerships with companies strong in sales and distribution in the CEE region.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. You do not need big financial resources to start the business. What you need is a good idea, specific scientific knowledge, and courage to package it into product and sell it.</li> <li>2. If you want to have a good product, study the research of elementary science and then use and combine their discoveries well so that you come up with a reliable and attractive product offer that surpasses the products of emerging competitors.</li> <li>3. Once you have a good product, experiment around the best business model design so that you will best leverage your product in the market. Geneplanet is experimenting around the proper B2C and B2B approach that will create the best results for the company.</li> </ol>	

	<p><b>Hidria</b></p> <p>Address: Nazorjeva ulica 6, 1000 Ljubljana, Slovenia  Tel: +38653756301  Fax: +38653756470  Email: <a href="mailto:info@hidria.com">info@hidria.com</a>  Web: <a href="http://www.hidria.si">www.hidria.si</a></p>
<b>Company information</b>	
Industry:	Manufacture of electrical equipment
Year of establishment:	1971
Sales revenues in 2009:	€ 187 MIO
Revenues in 2009:	€ 77 MIO
Average number employees in 2010:	2,611
Brainer(s) behind the company:	Top management team
<b>Nature of market leadership</b>	
<p>Hidria holds the third position in the world in the niche of diesel cold start systems for internal combustion engines. Additionally, one in every six vehicles in Europe contains a Hidria part in its steering system. The company also holds second place in Europe in the area of ALU Die Castings. In general, Hidria holds 17% market share globally of a €0.5 billion market.</p>	
<b>Nature of competitive advantage</b>	
<p>Hidria is a developmental supplier to Renault, PSA, Audi and BMW, among others. Apart from its automotive branch, Hidria also includes a construction branch which offers complete climate system solutions covering ventilation and protection, heating and cooling, renewable energy sources and energy management systems. The core market of climat systems is CEE, where it is positioned among the top five companies. Though strong CEE market leader in HVAC business, Hidria is a real hidden champion in automotive sectors, which is undergoing the period of technological punctuation when the dominant technology in automotive sector is moving from ICE to electric vehicles.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. When faced with technological punctuation and industry value chain is under transformation, refocus your innovation from innovating products and processes to innovation of business models.</li> <li>2. When faced with ambiguity over what dimensions of your product, process and business models to change and along what dimensions to remain still, the best approach is to position yourself as the proactive developmental supplier in the core OEMs (like Renault, PSA, Audi and BMW) and pre-deign a range of technical solutions for them out of which they can pick the most suitable ones.</li> <li>3. If the company does not have to some extent aligned interests among multiple stakeholders (employees, management, owners and local community), it will be hard to conceive unified strategic action on international scale. Hence, Hidria very early after on, immediately after the break-up of Yugoslavia, got privatized by employees and top management, all from the local region of Idrija. With that move it aligned interests of all employees, management, owners and local community and unified its international strategic actions successfully.</li> </ol>	

 <b>Instrumentation Technologies</b>	<b>Instrumentation Technologies d.d.</b> Address: Velika pot 22, 5250 Solkan, Slovenia Tel: +38653352600 Fax: +38653352601 Email: <a href="mailto:info@i-tech.si">info@i-tech.si</a> Web: <a href="http://www.i-tech.si">www.i-tech.si</a>
<b>Company information</b>	
Industry:	Architectural and engineering activities; technical testing and analysis
Year of establishment:	1998
Sales revenues in 2010:	€ 5,4 MIO
Revenues in 2000:	€ 181,091
Average number employees in 2010:	52
Brainer(s) behind the company:	CEO and founder Rok Uršič
<b>Nature of market leadership</b>	
World leader in production, supply and advice in instrumentation for accelerator beam diagnostics market. This market is now expanding from research institutes with accelerators and hadrons to also applied industrial branches like medicine, manufacturing, and energy.	
<b>Nature of competitive advantage</b>	
The core of competitive advantage is constant stream of technology-led innovations in the area of instrumentations (measurement devices at the sub-atomic level). Lately these innovations are leveraged into different industrial branches with expectations to create new market niches. Company has a distinctive product and market positioning. It faces practically no direct competition.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Brand your product, even if placed at the beginning of the industry value chain. However, Instrumentation Technology is a specific case here, since it is placed in the value chain of fundamental research, which bears huge positive externalities for the society, is publically financed, unregulated and not purely market driven.</li> <li>2. If having high-tech product for highly specialized professionals, organize own communities where these professional can meet, share their problems, solutions and come up with new product ideas. Instrumentation Technologies formed community around family of products "Libera". The preferred expression is "We create value by integrating technology and people."</li> <li>3. Leadership is an artful activity. When stuck with the technical solution, which is normal, sensitivity to the beauty in context and comfort with uncertainty can show you the way out.</li> </ol>	

	<p><b>Metrel d.d.</b></p> <p>Address: Ljubljanska cesta 77, 1354 Horjul, Slovenia  Tel: +38617558200  Fax: +38617549226  Email: <a href="mailto:metrel@metrel.si">metrel@metrel.si</a>  Web: <a href="http://www.metrel.si">www.metrel.si</a></p>
<b>Company information</b>	
Industry:	Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks
Year of establishment:	1954
Sales revenues in 2010:	€ 20 MIO
Revenues in 2000:	€ 12 MIO
Average number employees in 2010:	169
Brainer(s) behind the company:	Management team with Anton Demšar on the board
<b>Nature of market leadership</b>	
<p>Metrel is the leader in Europe in production and supply of testing and measurement instruments for electrical safety of installations in low voltage electrical distribution industry, with plans to expand into CEE region in the forthcoming years.</p>	
<b>Nature of competitive advantage</b>	
<p>Metrel was established in 1957 as a manufacturer of powertrains and electrical measurement and testing instruments, but later it focused solely on the later and extended its offer to an intensive service support ranging from repair and calibration, technical consultancy and client education and training. In many cases, standards adopted in EU countries used technologically advanced Metrel's products as a benchmark since they can ensure the validity of regulation for several years. This has given Metrel a preferential market position. Overall, Metrel holds the biggest market share in the EU, though on a single country level like France, Italy and Germany, local manufacturers hold bigger country-level market shares. In Eastern Europe Metrel holds 30% market share, while in Russia 10%. However, it is expected that the market share in Eastern Europe will increase when these countries adopt EU regulatory legislation.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Succeeding with your products that become a standard platform in regulations can be a good path to market leadership, especially in mature markets.</li> <li>2. If you are in mature business, upgrade the company offer with services. This will create an important revenue stream that can more than substitute the stagnant growth of product revenues.</li> <li>3. In mature business patenting is important, but be selective and protect only the core strategic components with property rights, otherwise the costs of patenting may exceed the benefits.</li> </ol>	

 	<b>Optotek</b> Address: Tehnološki park 21, 1000 Ljubljana, Slovenia Tel: +38616204600 Fax: +38616204601 Email: <a href="mailto:optotek@optotek.si">optotek@optotek.si</a> Web: <a href="http://www.optotek.si">www.optotek.si</a>
<b>Company information</b>	
Industry:	Manufacture of medical and dental instruments and supplies
Year of establishment:	1990
Sales revenues in 2010:	€ 4,5 MIO
Revenues in 2000:	€ 1 MIO
Average number employees in 2010:	56
Brainer(s) behind the company:	Boris Vedlin, Matjaž Zalar
<b>Nature of market leadership</b>	
<p>Optotek is the world leader in OEM sales of ophthalmological lasers for diagnostics and therapy. It holds 40% market share in Western Europe and 20% in CEE. The estimated global market share of Optotek (in terms of all devices sold) in 2009 was around 7.5%. Optotek was initially set up as a proactive designer of these devices for OEMs, but recently also transitioned to own brands. Optotek products that are sold under company's own brands contribute up to 50% of company's overall sales revenues. Optotek is especially strong in production of slit lamps. Slit lamps offer a highly effective approach for first-line glaucoma treatments, as adjunct therapy with drugs, and as alternative therapy when drugs or surgery fail.</p>	
<b>Nature of competitive advantage</b>	
<p>Apart from ophthalmic lasers Optotek is also one of the notable producers of articulated arms for medical laser applications in Europe. In 2009 it went into joint IPO with Polish company Optopol at the Warsaw Stock Exchange, and both companies were later acquired by Canon. In particular, Optopol holds majority ownership rights in Optek, and Optopol is fully owned by Canon. Canon ownership partly reduced the flexibility over the investments into R&amp;D activities the investments into R&amp;D are sustained at 10-15% of annual sales revenues and the expected growth is high despite the crisis.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Devise a product with advanced technology that OEMs do not yet have it and offer it to them (example, slit lamps). If the product is distinctive enough, OEMs will not bother producing it on their own. However, they are very motivated to have a full product offering in their portfolio (for example, slit lamp is an important device for certain ophthalmologic procedures and ophthalmologists may like to have it to complement other eye treatments).</li> <li>2. If you have reached the growth plateau through OEMs, you can start transitioning to your own brand, but manage carefully the potential conflicts with your core OEMs. It is good if you manage to persuade them that your branded product is of no threat to their sales. To build and nourish trust with core OEMs, set up joint R&amp;D initiatives.</li> <li>3. IPO can be a great opportunity for the entrepreneurial founders to cash out their past business successes. Some of the entrepreneurial founders may get fresh capital for novel ventures that way, while other managers can stay and further build up the company.</li> </ol>	

	<p><b>Pipistrel d.o.o. Ajdovščina</b></p> <p>Address: Goriška cesta 50a, 5270 Ajdovščina, Slovenia  Tel: +38653663873  Fax: +38653661263  Email: <a href="mailto:info@pipistrel.si">info@pipistrel.si</a>  Web: <a href="http://www.pipistrel.eu">www.pipistrel.eu</a></p>
<b>Company information</b>	
Industry:	Manufacture of air and spacecraft and related machinery
Year of establishment:	1987
Sales revenues in 2010:	€ 7,2 MIO
Revenues in 2000:	€ 0,67 MIO
Average number employees in 2010:	53 (according to <a href="http://www.gvin.com">www.gvin.com</a> )
Brainer(s) behind the company:	Ivo Boscarol
<b>Nature of market leadership</b>	
<p>Pipistrel is number one in the world in the new and recently established categories of ultra-light aircraft. In particular, Pipistrel is the world leader in double seat motor gliders that can turn into pure gliders once in the air; the first in the world in two-seat gliders with an auxiliary engine and in the category of electric two-seat airplanes; the first in the world in the newly established category of electric two-seat gliders (not yet approved for flying in many countries). The company received NASA Challenge Award three times (in 2007, 2008 and 2011) for the most energy efficient airplanes in the world.</p>	
<b>Nature of competitive advantage</b>	
<p>Despite the distinctive leadership position, the company is still small. Pipistrel can be most accurately described as the number one company in the innovative design of self-launching gliders and advanced light aircraft in the world. More particular, the core competence of Pipistrel is not only the design of ultra-light airplanes but in design of energy efficient ultra-light airplanes. The motto of Pipistrel, which describes the aerodynamic efficiency and excellent gliding capabilities of the aircraft, is: "If you have an engine problem on an ordinary plane, you call mayday, mayday, but if you fly a Pipistrel airplane, you ask for permission to go higher." But in deeper layer the competitive advantage lies in the passionate leadership of Ivo Boscarol.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Pursue your vision and stick to it when the times get tough and murky. First decade of Pipistrel's existence was extremely difficult for Ivo Boscarol, characterized with more downs than ups. However, the important thing is to learn from those downs.</li> <li>2. Having only the high-quality products (for example, energy efficient ultra-light airplanes) is not enough. You have to prove its superiority by participating in most challenging international competitions that are highly recognized within your professional and business circles (for example, the NASA Challenge Award, if you are in the aircraft business).</li> <li>3. Build up close ties with customers of your aircraft, customize every airplane to the needs of each specific user and make customers aware they own the aircraft which won such prestigious awards.</li> </ol>	

	<p><b>Seaway Group d.o.o.</b></p> <p>Address: Pot na Lisice 2, 4260 Bled, Slovenia  Tel: +38645727700  Fax: +38645727720  Email: <a href="mailto:info@seaway.si">info@seaway.si</a>  Web: <a href="http://www.seaway.si">www.seaway.si</a></p>
<b>Company information</b>	
Industry:	Building of pleasure and sporting boats
Year of establishment:	1990
Sales revenues in 2010:	€ 34,3 MIO
Revenues in 2000:	€ 4,58 MIO
Average number employees in 2010:	185 (data from <a href="http://www.gvin.com">www.gvin.com</a> )
Brainer(s) behind the company:	Japtec and Jernej Jakopin
<b>Nature of market leadership</b>	
<p>Seaway is the first in the world in sails and motor boat design for OEM with very powerful own brands as well: Shipman - a line of carbon sailing yachts, Skagen - a range of world-girdling raised pilothouse motor yachts, and Greenline - a line of carbon boats with electric engine. In particular, Greenline is among the most energy efficient and environmentally friendly sailing boats in the world.</p>	
<b>Nature of competitive advantage</b>	
<p>Nowadays, Seaway is a boat designer for over 60 shipbuilders worldwide. The company is earning royalties over a boat's lifespan. Innovative boat design for OEMs is the core of Seaway's business. To some extent Seaway can be compared to business consulting companies. They become familiar with issues and solutions in different OEMs, and use this to further develop and leverage their knowledge. Since they are the only provider of such services globally, their only competitors are in-company OEM R&amp;D departments. On average, a potential competitor would need approximately 10 years to reach the level of knowledge and capabilities of Seaway.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Look around other industries and how they are evolving and copy successfully evolutions into your own industry. In early years of the company, Japtec Jakopin saw his business as Pininfarina is in car design and succeeded.</li> <li>2. If you have designed great product for the OEMs and they for some or other reasons do not want it, and you have really high level of trust and aspirations for that product, launch it under your own brand. This is the success story of the Greenline, one the bestselling sailing boats in the world today.</li> <li>3. Manage the relationships and information and knowledge flows between your core OEMs (in case of Seaway shipbuilding companies) sensitively and be well informed about cultural differences between your clients and adjust your product respectively. These are small nuances that matter the most.</li> </ol>	

	<b>Studio Moderna BV</b> Address: Naritaweg. 165, 1043 BW Amsterdam, the Netherlands Email: <a href="mailto:info.si@studio-moderna.com">info.si@studio-moderna.com</a> Web: <a href="http://www.studio-moderna.com">www.studio-moderna.com</a>
<b>Company information</b>	
Industry:	Retail trade
Year of establishment:	1992
Sales revenues in 2010:	€ 300+ MIO
Average number employees in 2010:	4,500
Brainer(s) behind the company:	Sandi Češko, Branimir Brkljač, Eivind Schackt
<b>Nature of market leadership</b>	
<p>Formed in Slovenia in 1992, Studio Moderna holds market leadership in direct marketing and DRTV sales across Central and Eastern Europe, seizing more than 50% of overall market.</p>	
<b>Nature of competitive advantage</b>	
<p>The nature of Studio Moderna's competitive strength lies in high quality products sold through a fully integrated direct marketing network backed up with excellent service (call centres operations and delivery service) branded as Top Shop, Dormeo, Kosmodisk, Delimano, etc. Western DRTV marketers never succeeded in building a high level of trust by simply leveraging their successful business practices from the West to the East.</p> <p>Studio Moderna learned a lot from Western competitors but did not copy them thoughtlessly. Instead, they designed their business quite differently along several dimensions versus Western companies. Contrary to the Westerners, who outsourced the majority of the functions, Studio Moderna built them in-house. Western companies had centralized decision making; Studio Moderna shifted decisions to country managers. Studio Moderna employed locals to run the business in CEE countries, while Westerners sent their own staff. Studio Moderna's approach to the direct marketing business better fitted the specifics of CEE business environment, where success was all about winning the trust of the customer. Hence, Studio Moderna came up with an innovative business model.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Build up your business in areas where the biggest challenges of the future lie. Especially in the economies where the supply in most B2C markets exceeds the demand, the challenge is sales, marketing, and distribution. This is the area of huge business opportunities and Studio Moderna is building its business on monetizing these business challenges and opportunities successfully through innovative design of own business.</li> <li>2. Learn from the strongest global companies in your business, but do not copy their business practices blindly. Adjust them to better fit your local setting.</li> <li>3. Build up your business on the economies of scale and scope by managing well the synergies between product groups, sales channels and countries.</li> <li>4. Build up huge customer base and manage well their needs, expectations and wishes by the help of well-designed IT support.</li> </ol>	

	<p><b>Tajfun Planina d.o.o.</b></p> <p>Address: Planina 41a, 3225 Planina pri Sevnici, Slovenia  Tel: +3867464400  Fax: +38635791241  Email: <a href="mailto:info@tajfun.com">info@tajfun.com</a>  Web: <a href="http://www.tajfun.com">www.tajfun.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of agricultural and forestry machinery
Year of establishment:	1967
Sales revenues in 2010:	€ 15 MIO
Revenues in 2000:	€ 5,5 MIO
Average number employees in 2010:	146
Brainer(s) behind the company:	Špan family
<b>Nature of market leadership</b>	
Tajfun is one of the world's leading producers of forestry equipment, particularly of logging winches and firewood processors.	
<b>Nature of competitive advantage</b>	
Tajfun is present in more than 40 countries. The company has expanded its product offering from logging winches and firewood processors in 2003. Synergies in sales and distribution processes contributed to the fast growth of firewood processors, which in five years became an equally important revenue driver. In particular, firewood processors are still fast increasing in demand, while the logging winch segment has matured. In general, both product groups are priced with significant mark-up justified by Tajfun's superior technological quality.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. To increase your power in the relation to the distributors, who help you spread your products around the globe, invest in building the strong brand. Today Tajfun is a well recognized brand in the forestry business.</li> <li>2. As a leader, invest your personal energy in creating enjoyable atmosphere in the company. According to Mr. Špan, it is really important that people enjoy the work and take pleasure in it.</li> <li>3. Compete with technology not with the price. As Mr. Špan says, "If you want to be competitive, you need to have your own effective R&amp;D or you have to be cheaper than the Chinese. We will never be cheaper than Chinese, so we need to be the best in technological innovations".</li> </ol>	

## TURKEY

**Official name:** Republic of Turkey  
**Type of government:** Parliamentary Democratic Republic  
**Population in 2010:** 73,722,988  
**Land area (in sq. km):** 783,562

### History

**1920** – After being defeated in the World War I, Ottoman Empire's territory was gradually partitioned by the allies, a period finalized by the Treaty of Sévres in 1920, leaving a minor Turkish territory.

**1923** – Turkish War of Independence was won, and Treaty of Lausanne determined new borders of Turkey preserved up to today, followed by the establishment of Republic of Turkey. Industrialization efforts were initiated by the state, in order to create the domestic market for production of main consumption goods.

**1952** – Turkey became a member of NATO.

**1960** – The fear of the army that the government threatened the secular state led to a military intervention. At the same period, import substitution industrialization became the official economic development policy, which aimed at minimizing imports and creating domestic production via quotas, tariffs and exchange regulations.

**1980** – Internal tensions due to severe economic crisis and the left-right movements led to another military coup. The export led growth policy, just set before the coup with IMF and WB, aiming to liberalize the Turkish economy via export subsidies, privatization, free exchange circulation and open financial markets, continued.

**1996** – Turkey was fully integrated to Customs Union. The import taxes, which were gradually decreased since 1990, were cancelled for the imports from the European Union and EFTA countries.

**1999** – Turkey was recognized as a candidate for full membership to EU, negotiations started on 3 Oct 2005.

**Memberships to international economic organizations:** IMF (1947), OECD (1961), ECO (1985), BSEC (1992), WTO (1997), D-8 (1997)

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	3.816	8.215
GDP per capita growth (annual %)	-4,9	-5,8
Long-term unemployment (% of total unemployment)	28,2	25,3
Foreign direct investment, net inflows (% of GDP)	0,4	1,4
GDP (current US\$, mio)	249.751	614.603
Exports of goods and services (current US\$, mio )	48.551	142.853
Exports of goods and services (% of GDP)	19,4	23,2
Merchandise exports (current US\$, mio )	26.588	102.129
Merchandise exports to high-income economies (% of total merchandise exports)	74,9	59,1
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	8,7	13,3
Ores and metals exports (% of merchandise exports)	2,8	3,2
Agricultural raw materials exports (% of merchandise exports)	1,3	0,4
Food exports (% of merchandise exports)	15,4	10,8
Fuel exports (% of merchandise exports)	1,3	4,0
Manufactures exports (% of merchandise exports)	79,1	80,2
High-technology exports (% of manufactured exports)	4,3	1,9

Source: World Bank, June 2011

	<p><b>Akrilik Kimya Sanayi Anonim Şirketi</b></p> <p>Address: Miralay Şefik Bey Sk. Ak-Han No:15 34437 Gümüşsuyu İstanbul, Turkey Tel: +902122514500 Email: <a href="mailto:aksa@aksa.com">aksa@aksa.com</a> Web: <a href="http://www.aksa.com/">http://www.aksa.com/</a></p>
<b>Company information</b>	
Industry:	Manufacture of chemicals and chemical products
Year of establishment:	1968
Sales revenues in 2009:	€ 503 MIO
Revenues in 1999:	€ 347 MIO
Average number of employees in 2009:	900
Brainer(s) behind the company:	CEO Mustafa Yilmaz
<b>Nature of market leadership</b>	
<p>Aksa is the biggest producer of acrylic fibre under one roof, it owns 12.5% of worldwide production. The company is number one in the USA in acrylic fibre for outdoor products both in revenues and volume. It has newly entered the carbon fiber business, which requires a very specific state-of-the-art technology.</p>	
<b>Nature of competitive advantage</b>	
<p>The company sees its uniqueness in its customer-focused model. Customers are visited very often. Their satisfaction level is measured once a year by an independent public relations company, and feedbacks are acquired. The production is tailored according to the production system and needs of the customer, so that the customer can achieve high performance and efficiency. In addition, the product range is increasingly and continuously improved with new innovative products. The long history of the company is also a big asset as it provides high accumulated market knowledge and management skills.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. When faced with price competition in basic goods, instead of answering it with the price reduction, invest in R&amp;D in order to come up with more sophisticated products that can justify higher profit margins.</li> <li>2. Creating new and efficient uses and tailoring production mode and product design to customer demands, and intensive pre- and aftersales services enable customer loyalty and thus maximize the value-added both for the company and its customers.</li> <li>3. When faced with increased competition, decreasing in market demand and prices, your superior market knowledge and the intuitions of the leader can enable the firm to sustain and even increase its market share. A highly qualified and motivated work force can be a complementary resource, together with a strong company culture.</li> </ol>	

	<b>Alvimedika Medical Technologies</b> Address: Istanbul Trakya Free Zone 34540 Çatalca Istanbul, Turkey Tel: +902127866080 Email: <a href="mailto:contact@alvimedica.com">contact@alvimedica.com</a> Web: <a href="http://www.alvimedica.com/">http://www.alvimedica.com/</a>
<b>Company information</b>	
Industry:	Manufacture of basic pharmaceutical products and pharmaceutical preparations
Year of establishment:	2007
Sales revenues in 2009:	€ 7 MIO
Revenues in 1999:	n/a
Average number of employees in 2009:	200
Brainer(s) behind the company:	CEO Cem Bozkurt
<b>Nature of market leadership</b>	
World leader in technological innovation in interventional cardiology sector with products such as the 100% soluble polymer coated stent, invented and produced by Alvimedika for the first time in the world. The market is growing both in size and volume along with a rise in price of the products.	
<b>Nature of competitive advantage</b>	
The competitive advantage arises from making worldwide innovations both in design and production. Innovations are targeted at easing the life of the consumers. In addition, all the processes which concern customers are monitored by a special branch and customer satisfaction is maintained by providing superior service quality.	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Collaborate with universities and companies all around the world for R&amp;D. Do not only focus on the improvement and innovation of products that deliver immediate solutions, but also focus on long-term research to make radical innovations.</li> <li>2. Put satisfying customer needs as the goal rather than competition. Create the necessary conditions for the self-improvement of the employees in order to capture all their potential. These will bring together the competitive advantage.</li> <li>3. Set ambitious goals. Act as a big company with an established, well-developed and globally-available product line, but still carry the heart and soul of a small innovative company. This versatility will allow the company for rapid development of new products and technologies.</li> </ol>	

	<p><b>Arbel A.Ş.</b></p> <p>Address: Yeni Mahalle, Cumhuriyet Bulvarı No: 73/4, 33281 Kazanlı Mersin, Turkey  Tel: +903242411111  Email: <a href="mailto:arbel@arbel.com.tr">arbel@arbel.com.tr</a>  Web: <a href="http://www.arbel.com.tr">http://www.arbel.com.tr</a></p>
<b>Company information</b>	
Industry:	Crop and animal production, hunting and related service activities
Year of establishment:	1980
Sales revenues in 2009:	€ 200 MIO
Revenues in 1999:	n/a
Average number of employees in 2010:	750
Brainer(s) behind the company:	CEO and Owner Huseyin Arslan
<b>Nature of market leadership</b>	
<p>Arbel S.A. produces lentils, chickpeas, bulgur, wheat, beans, peas, rice, and pasta. It is the number one in the world in red lentil for the past three years in terms of revenues and volume. It has 25% of the market share in world, compared to the 5% of its closest competitor</p>	
<b>Nature of competitive advantage</b>	
<p>Using its market experience and management skills, Arbel collaborated with seed producing companies and institutions to create new hybrid seeds according to the needs of lentil market in the world. Quality of the products creates the gap between Arbel and the closest competitors. Although price and product range is similar in the market, Arbel is able to create high quality products. As the sole producer and supplier of a unique kind of lentils, Arbel has a unique position in the customers mind. Arbel has registered licences for lentil production, guarantee on delivery deadlines and production location as compliance with customer expectations.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. The leader defines his leadership as being fair in every decision and emphasizing the significance of team work. Employee satisfaction is equally important with the company growth for him in order to maintain the continuous improvement approach in production and sustaining world leadership positions.</li> <li>2. Providing high quality products with similar market prices and being customer focused during the product development enables having a high market share that is fostered by registering the products unique to the firm.</li> <li>3. Collaborate with the suppliers to help you deliver superior product quality for the same costs/prices.</li> </ol>	

	<p><b>Ege Soğutmacılık Klima ve Soğuk Hava Tesisleri İhracat İthalat Sanayi ve Ticaret A.Ş.</b></p> <p>Address: Ulukent Sanayi Bölgesi 10001 Sokak, No: 15 Ulukent İzmir, Turkey  Tel: +902328333764  Email: <a href="mailto:info@safkar.com">info@safkar.com</a>  Web: <a href="http://www.safkar.com.tr/">http://www.safkar.com.tr/</a></p>
<b>Company information</b>	
Industry:	Manufacture of machinery and equipment n.e.c.
Year of establishment:	1988
Sales revenues in 2009:	\$ 50 MIO
Revenues in 1999:	n/a
Average number of employees in 2010:	296
Brainer(s) behind the company:	CEO Doruk Aydın
<b>Nature of market leadership</b>	
<p>Safkar operates in every segment of mobile climate control. It is the leader in the Eastern Europe and the Middle East markets, where it competes with other global players in terms of sales volume. In Europe, it is among the top five players. It also claims to be leader in R&amp;D and project development with customers.</p>	
<b>Nature of competitive advantage</b>	
<p>Safkar provides high quality products together with 100 percent guarantee on parts and service to its customers, as well as offering low prices, thus fulfilling the most important needs of the customers. Safkar works as the project partner of the customers and designs its products according to their specific needs. The company has contributed to market formation in Turkic Republics and in the Middle East, by early introducing its products and providing strong after sales services.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Even though the quality of your product is not superior than your competitors, you can capture the market with a more favorable price/performance ratio and flexible design according to customer wants.</li> <li>2. Being a close manufacturer to the customer enables flexibility in delivery and lowers the transportation costs, which can be reflected to the sales prices.</li> <li>3. While strengthening customer relations, the extensive after-sales services provided by the company also enables the customers to use the products correctly, and get maximum efficiency from them, thus also reducing guarantee costs of the company.</li> </ol>	

	<p><b>Eko Tekstil Sanayi ve Ticaret Limited Şirketi</b></p> <p>Address: N. Kemal Mah. Cengiz opel Cad. Billur Sok. No 30 Ümraniye İstanbul, Turkey  Tel: +902164431958  Email: <a href="mailto:info@ekotex.com">info@ekotex.com</a>  Web: <a href="http://www.ekotex.com/">http://www.ekotex.com/</a>  <a href="http://www.suwen.com.tr/">http://www.suwen.com.tr/</a></p>
<b>Company information</b>	
Industry:	Manufacture of wearing apparel
Year of establishment:	1994
Sales revenues in 2009:	€ 22 MIO
Revenues in 1999:	€ 3 MIO
Average number of employees in 2009:	1,590
Brainer(s) behind the company:	CEO and founder Ozcan Sumer
<b>Nature of market leadership</b>	
<p>The company operates both as a contract manufacturer and with its own brands in the lingerie and underwear market. It is number three in Europe in terms of revenues and volume and is the biggest producer in CEE, Europe, and Middle East. It is also the leader in evaluating trends, developing new products and paying attention to research and development.</p>	
<b>Nature of competitive advantage</b>	
<p>Eko Tekstil differentiates itself from the competitors with its speed, high quality and trendy designs enabled by continuous investments in R&amp;D and design. Even the very prestigious contractor companies prefer Eko Textile's designs over their own. The company is able to differentiate itself from the competitors by its wide and flexible product lines. It works collaboratively with its suppliers and customers, so that they are able to use the new and fashionable cloths in their designs and offer superior products. The coordination capability enables them to have their products manufactured in the most convenient regions and sell to the markets where there is potential. The entrepreneurship of the owner, his planning skills and deep intuition and dedication to developing capabilities of the firm constantly have also helped gain its competitive advantage.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Even if the general demand shifts towards lower cost countries in the industry, you can turn the direction backwards by following new trends and responding quickly by developing trendy and differentiated products.</li> <li>2. Geographical intimacy helps the firm provide flexibility and speed in delivery, while cultural proximity makes the firm's design superior product lines than that of foreign firms.</li> <li>3. "The key to our rapid success is our mentality of working for success, not for money. If you work for success, money comes later on as well," says Ozcan Sumer.</li> </ol>	

	<p><b>Kanca El Aletleri Dövme Çelik A.Ş.</b></p> <p>Address: Taysad Organize Sanayi Bölgesi 41480 Sekerpinar- Cayirova Kocaeli, Turkey  Tel: +902626788600  Email: <a href="mailto:info@kanca.com.tr">info@kanca.com.tr</a>  Web: <a href="http://www.kanca.com.tr">http://www.kanca.com.tr</a></p>
<b>Company information</b>	
Industry:	Manufacture of fabricated metal products, except machinery and equipment
Year of establishment:	1974
Sales revenues in 2009:	€ 52 MIO
Revenues in 1999:	n/a
Average number of employees in 2009:	420
Brainer(s) behind the company:	CEO and owner Alper Kanca
<b>Nature of market leadership</b>	
<p>Kanca produces hand tools and forged parts. With its major product line - vice - it is the market leader in Europe in terms of sales volume and revenue. The company has a 36% market share in Europe, compared to the 25% share of its closest competitor.</p>	
<b>Nature of competitive advantage</b>	
<p>Th competitive advantage is achieved via creating high customer satisfaction, applying appropriate quality-price ratio, opening a branch in order to be close to the customers and satisfying the need for spare parts and retail, making frequent regular customer visits, and quickly introducing new products according to the needs of the customers.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. In order to form well-established customer relations, be close to them, not only by opening branches nearby, but also by performing regular frequent visits.</li> <li>2. Even if operating in a very low tech industry, invest considerable amounts in R&amp;D in order to design and develop new products.</li> <li>3. Design the products according to the customer needs and introduce them to the market rapidly. Be quick and flexible in delivering the products.</li> </ol>	

	<p><b>Kordsa Global</b></p> <p>Address: Sabancı Center Tower 2, Floor 17, 34330 4. Levent, Beşiktaş / İstanbul , Turkey Tel: +902123858657 Email: <a href="mailto:info@kordsaglobal.com">info@kordsaglobal.com</a> Web: <a href="http://www.kordsaglobal.com">http://www.kordsaglobal.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of textiles
Year of establishment:	1973
Sales revenues in 2010:	€ 650 MIO
Revenues in 2000:	€ 120 MIO
Average number of employees in 2010:	6,000
Brainer(s) behind the company:	CEO Hakan Tiftik
<b>Nature of market leadership</b>	
<p>Kordsa Global is the worldwide market leader in high denier nylon-polyester industrial yarn, cord fabrics, industrial fabrics and single end cord products in terms of market share, revenue and profitability. Its main customers are leading manufacturers of vehicle tires in the mechanical rubber goods industry.</p>	
<b>Nature of competitive advantage</b>	
<p>The major competency, which separates Kordsa from its competitors, is the product quality and higher price-performance ratio. They are followed by building and maintaining relationships with the customer both before and after the sales, being close to the customers by providing service near their facilities, flexibility of orders, superiority in distribution channels, and cooperation with suppliers. The scope of company's R&amp;D activities continuously increases and innovation and excellence are the core elements of corporate culture.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Operating excellence comes with the combination of achieving competitive local costs at all sites, having the capacity aligned with the market demand and global supply chain with flexible products.</li> <li>2. Being the solution partner of the customers by improving the connection with customers' technical and operational departments, using advanced materials and know-how, providing customized services and having open innovation culture to achieve new solutions is vital for success.</li> <li>3. Using a balanced global approach is significant for global success, which comprises of product management with global customers, global functions driving global synergies, and developing technical abilities for various customer wants.</li> </ol>	

	<p><b>Mutlu Akü ve Malzemeleri San. A.Ş.</b></p> <p>Address: Tepeören Mahallesi, Eski Ankara Yolu Cad. No 60 34959 Tuzla, İstanbul, Turkey  Tel: +902163041590  Email: <a href="mailto:ygulmez@mutlu.com">ygulmez@mutlu.com</a>  Web: <a href="http://www.mutlu.com.tr/">http://www.mutlu.com.tr/</a></p>
<b>Company information</b>	
Industry:	Manufacture of electrical equipment
Year of establishment:	1945
Sales revenues in 2009:	€ 112 MIO
Revenues in 1999:	€ 108 MIO
Average number of employees in 2010:	695
Brainer(s) behind the company:	CEO Atilla Turker
<b>Nature of market leadership</b>	
<p>Mutlu Batteries is the biggest battery manufacturer in Turkey, the Middle East and Eastern Europe, and sells transportation batteries, as well as industrial batteries to more than 25 countries in Europe, Russia, South Africa, the Middle East, the Far East, North and Central Asia. They hold a strong position in Russia, Turkey and CIS countries. The company is the leader in Russia in terms of sales volume and revenue.</p>	
<b>Nature of competitive advantage</b>	
<p>Whereas the global giants, especially from the USA, dominate the battery industry in other regions, they have not or could not yet fully enter the geographical scope of Mutlu Akü.</p> <p>Mutlu Batteries' products are of higher quality than those of its main competitors. The company has also superior design capabilities than its competitors, and develops specialized products according to the customer demands. The employees are provided with international training via visits to the most hi-tech battery plants and battery production machine producers in Europe and in the USA with whom Mutlu Akü has cooperation.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Producing for the branches of multinational firms in home country creates network advantages that bring high success during internationalization.</li> <li>2. Acquiring the opportunities arising with the political developments in particular markets and being the first-mover enables a rapid and high market penetration.</li> <li>3. Dedication to recycling of your used products, particularly in the battery business, creates tremendous cost cuts for the company.</li> </ol>	

	<p><b>Türkiye Şişe ve Cam Fabrikaları A.Ş.</b></p> <p>Address: İş Kuleleri Kule 3 Kat: 23 34330, 4, Levent İstanbul, Turkey  Tel: +902123505050  Email: <a href="mailto:info@sisecam.com">info@sisecam.com</a>  Web: <a href="http://www.sisecam.com.tr/">http://www.sisecam.com.tr/</a></p>
<b>Company information</b>	
Industry:	Manufacture of other non-metallic mineral products
Year of establishment:	1935
Sales revenues in 2009:	€1.7 BIO
Revenues in 1999:	€ 1.2 BIO
Average number of employees in 2010:	17,673
Brainer(s) behind the company:	CEO Ahmet Kirman
<b>Nature of market leadership</b>	
<p>In glassware sector, Şişecam is the leader in the region that they name “our vital geography”: Eastern Europe, Balkans, Middle East, and Middle Asia Europe, in terms of sales volume and revenue. The group also holds the second rank in Europe with a market share of 25%, and third rank in the world with a market share of 9%.</p>	
<b>Nature of competitive advantage</b>	
<p>The group’s tangible and intangible resources, particularly the market knowledge and the customer relations acquired over its long history, have helped it achieve the leadership position. The highly qualified and loyal workforce together with the strong company culture provides a key intangible resource as well. Financial strength of the company enables it to be more innovative while fostering its success.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Use the collective intellect; listen, discuss, and get the strategic decisions collectively when possible and diffuse them to the shareholders. Make right decisions at the right times.</li> <li>2. Set off with proper industrialism, corporate governance, persistence on long term strategic planning and specialization. Restructure the firm when needed and focus in a geography that you define as our vital region.</li> <li>3. Use joint ventures for reaching knowledge of the markets and for benefitting the network of the local manufacturer.</li> </ol>	

	<p><b>Yünsa Yünlü Sanayi ve Ticaret A.Ş.</b></p> <p>Address: Sabancı Center Kat 19-20 4. Levent 34330 Istanbul, Turkey Tel: +902123858700 Email: <a href="mailto:yunsa@yunsa.com">yunsa@yunsa.com</a> Web: <a href="http://www.yunsa.com">http://www.yunsa.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of textiles
Year of establishment:	1973
Sales revenues in 2009:	\$ 63 MIO
Revenues in 1999:	\$ 42 MIO
Average number of employees in 2010:	1,516
Brainer(s) behind the company:	CEO Cem Celikoglu
<b>Nature of market leadership</b>	
<p>Yünsa has been the largest worsted wool fabric producer and seller in Europe for the last two years in terms of revenue, also ranking fifth in the world. The company states its principle markets as EU, North America, and Eastern countries. Their market share is 7% in Europe and 4% in the world. Over the last decade, the market has grown slightly in size and sales volume with also a slight increase in the prices of the products.</p>	
<b>Nature of competitive advantage</b>	
<p>Strong customer relationships, superior market knowledge and professional marketing skills establish the core of competitive intangible resources complemented by a very strong corporate culture among its highly qualified and dynamic human resources. Due to its high capability in flexible production, the company can offer the production of small sized special orders, in addition to large scale ones, with the guarantee of delivery on time. The core advantage of the company's products over rivals' is being designed to satisfy the specific needs of the customer, at a lower price and higher efficiency ratio.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. In times of crisis, do not only focus on cutting costs, but also embrace an assertive strategy by introducing the market new products with lower prices.</li> <li>2. Global success comes with combining a customer-centric approach with high design skills, capability to adapt to the market dynamics and trends, high product quality, flexibility in production, and delivery on time.</li> <li>3. Anticipation of the market and the competitors is vital for business success, which can best be achieved with a worldwide strategy as to strong connection and collaboration with the customers.</li> </ol>	

## UKRAINE

**Official name:** Ukraine  
**Type of government:** Unitary semi-presidential republic  
**Population in 2010:** 45,888,000  
**Land area (in sq. km):** 603,628

### History

**1917-19** - After the collapse of the Russian and Austro-Hungarian empires, there were several attempts of establishing independent Ukrainian state (Ukrainian National Republic, West Ukrainian National Republic, and Ukrainian State etc.).

1919 - The Ukrainian Soviet Socialist Republic was formally established.

**1922** - The Ukrainian Soviet Socialist Republic became one of the founding republics of the Soviet Union.

**1939** - After the division of Poland west parts of modern Ukraine were annexed to Ukrainian Soviet Socialist Republic. The last part of modern Ukraine – the Crimea – was transferred to Ukraine at 1954.

**1941** - Ukrainian Soviet Socialist Republic was occupied by Nazi Germany.

**1945** - The Ukrainian SSR became one of the founding members of the United Nations.

**1990** - The Declaration of Independence was passed.

**1991** - After the dissolution of the Soviet Union Ukraine became an independent country. It was adjusted by the results of the national referendum. First presidential elections took place. Ukraine, Belarus and Russia formed the Commonwealth of Independent States (CIS).

**1992** - Ukraine joined the the Organization for Security and Cooperation in Europe (OSCE).

**1996** - A new currency, the hryvnia, was introduced and a new Constitution of Ukraine was adopted.

**1999–2001** - Ukraine served as a non-permanent member of the UN Security Council.

**1998** - The European Union's Partnership and Cooperation Agreement (PCA) with Ukraine went into force.

**2004** - The Democratic Orange Revolution took place.

**2008** - Ukraine joined to World Treaty Organization.

### Core Economic Indicators

	1999	2009
GDP per capita (current US\$)	636	2.548
GDP per capita growth (annual %)	1	-14.6
Long-term unemployment (% of total unemployment)	n.a	n.a
Foreign direct investment, net inflows (% of GDP)	2	4
GDP (current US\$, mio)	n.a	n.a
Exports of goods and services (current US\$, mio)	16.960	52.577
Exports of goods and services (% of GDP)	53.7	46.3
Merchandise exports (current US\$, mio)	11.582	39.702
Merchandise exports to high-income economies (% of total merchandise exports)	39.6	29.8
Merchandise exports to developing economies in Europe & Central Asia (% of total merchandise exports)	38.5	42.9
Ores and metals exports (% of merchandise exports)	11.3	6.1
Agricultural raw materials exports (% of merchandise exports)	1.6	1.1
Food exports (% of merchandise exports)	12.0	23.8
Fuel exports (% of merchandise exports)	5.9	5.2
Manufactures exports (% of merchandise exports)	65.5	62.9
High-technology exports (% of manufactured exports)	4.2	n.a

Source: World Bank, June 2010

	<b>Eleks Software</b> Address: ELEKS Ltd, 7g Naukova St., Lviv 79060, Ukraine Tel: +38 032 297-125 Fax: +38 032 244-7002 Email: <a href="mailto:eleksinfo@eleks.com">eleksinfo@eleks.com</a> Web: <a href="http://www.eleks.com">http://www.eleks.com</a>
<b>Company information</b>	
Industry:	Software
Year of establishment:	1995
Turnover in 2010:	€ 6 MIO
Turnover in 2000:	€ 0,05 MIO
Average number employees in 2010:	450
Brainer(s) behind the company:	CEO
<b>Nature of market leadership</b>	
<p>In 2000, the company started operating in the entertainment industry and later with the Hollywood filmmakers. Blockbuster directors are always striving for an ultimate sense of reality, and special effects are created not based on drawing, but are filmed and processed by computer software. ELEKS Software is a developer of these programmes which the company is creating together with American IT company FTSI. Eleks Software in collaboration with FTSI is one of the top five world companies in creating complex automated systems for entertainment industry.</p>	
<b>Nature of competitive advantage</b>	
<p>The company has great technical capabilities, and its employees are among the top experts in Ukraine. Moreover, the company is capable of maintaining a competitive price. Along with an informal environment, these two factors provide possibility for the production of a great number of breakthrough innovations. Also, 80% of its revenue is reinvested into these innovative solutions.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Employees are the only asset of a service company.</li> <li>2. The main role of the leader is to develop talents and to deliver a vision to the team.</li> <li>3. Entertainment industry is becoming one of the biggest customers of innovative software products in the world.</li> </ol>	

	<p><b>Kakhovka plant of Electric Welding Equipment (KZESO)</b></p> <p>Address: 109, Pushkin Str., 74800 Kakhovka, Kherson region, Ukraine  Tel: +380 553 62 00 03  Fax: +380 553 64 10 41, 25 90  Email: <a href="mailto:info@kzeso.com">info@kzeso.com</a>  Web: <a href="http://kzeso.com/en/">http://kzeso.com/en/</a></p>
<b>Company information</b>	
Industry:	Manufacturing electric welding equipment
Year of establishment:	1959
Turnover in 2010:	n/a
Turnover in 2000:	n/a
Average number employees in 2010:	1,200
Brainer(s) behind the company:	CEO
<b>Nature of market leadership</b>	
<p>The share of KZESO-manufactured machines makes up 97% of the world's mobile rail park of welding machines, and is close to 63% as for the stationary machines.</p>	
<b>Nature of competitive advantage</b>	
<p>The key competitive advantages are innovations and product quality. The company is in the constant search for the best components there are. Close cooperation with the Scientific Institute of Electric Welding plays an important role in the product manufacturing process. All advanced solutions have been developed in the Institute, and transformed into a manufactured product by KZESO. Company strengths include a charismatic leader who has been leading the enterprise for more than 20 years and has complete knowledge of all technical aspects.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. While others are assembling machines of yesterday, leader must work on the machines of the day after tomorrow.</li> <li>2. Partnership with scientific institutes allows to be on the cutting edge in the industry.</li> <li>3. Technology is not enough to be successful. A leading company is the best in sales also.</li> </ol>	

	<p><b>PocketBook International</b></p> <p>Address: 5, Tampere St., Kiev, 02105, Ukraine  Tel: +380-44-5010647 ext 172  Fax: +380-44-5010645  Web: <a href="http://www.pocketbook-int.com">www.pocketbook-int.com</a>  <a href="http://www.hktdc.com/em/pocketbookint">www.hktdc.com/em/pocketbookint</a></p>
<b>Company information</b>	
Industry:	Manufacture of computer, electronic and optical products
Year of establishment:	2007
Turnover in 2010:	€ 120 MIO
Turnover in 2000:	€ 30 MIO (2008)
Average number employees in 2010:	150
Brainer(s) behind the company:	CEO
<b>Nature of market leadership</b>	
<p>Since its establishment in 2007, PocketBook International has become one of the leading producers in various regional segments of the world market for electronic reading devices. The market of e-book reading devices is rather new, fast growing, and innovative. During the early period of its development, it belonged to big international companies. However, now the Ukrainian company PocketBook International is not only the leading producer on the CIS market, but also seizes the markets in Europe and other regions.</p>	
<b>Nature of competitive advantage</b>	
<p>Very important factors for PocketBook International that ensure company's leading position and business growth are understanding of the industry, marketing, productive relations with clients, employees' motivation and qualification, risk management and innovations. The company has two patents, and invests about 50% of its income into product development. Most manufacturers of electronic reading devices are using the technology of electronic ink (E Ink). The uniqueness of product supply depends on a convenient interface, the quantity of supported formats, service support, constant software upgrades and offered content.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. The technology described above is typical and widespread in the market. Therefore, the producers must use other competitive advantages to convince the user in his/her choice. The main criteria for consumer are the quality of the product, information system, after-sale service and product popularity.</li> <li>2. Taking into consideration global market conditions, competition with world famous brands and end-customer orientation of the product, the company needs to make marketing efforts to expand its market share.</li> <li>3. New high-tech companies with innovative multifunctional products will enter the market so PocketBook International needs to develop its own innovations.</li> </ol>	

	<p><b>Ukrainian Beer Company Group (UBC Group)</b></p> <p>Address: 7, Lermontovska St., Kharkiv, 61024, Ukraine  Tel: +380 577 00 9031  Fax: +380 577 00 9055  Email: <a href="mailto:e@beer-co.com">e@beer-co.com</a>  Web: <a href="http://www.beer-co.com">www.beer-co.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of cooling equipment; products of wood and cork, of paper and paperboard, of containers etc.
Year of establishment:	1993
Turnover in 2010:	€ 250 MIO
Turnover in 2000:	€ 35 MIO
Average number employees in 2010:	4,500
Brainer(s) behind the company:	President Igor Gumenny
<b>Nature of market leadership</b>	
<p>UBC Group is world leader in production of beer coolers and CIS leader in producing beer promo products (caps, cafeteria carts, tent products, ceramic beer faucets, etc.). Almost all world-famous beer producers use cooling equipment of this Ukrainian company. It is the certified supplier of beer coolers for InBev, Molson Coors, Anheuser Bush, Heineken, etc.</p>	
<b>Nature of competitive advantage</b>	
<p>The modern technology and strict control over the distribution channels are among the main reasons of being a market leader. Reinforcement of market positions is associated with the constant increase of operational efficiency and thorough planning of all business processes. While designing new equipment UBC Group takes into account all the quality standards and equipment requirements of their clients.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. Soft skills, emotional intelligence, etc., are important factors of market leadership. A powerful leadership and its consistent strategy play an important role in the formation of an established company which is able to live through the challenges of the crises.</li> <li>2. It is quite easy for the Group to compete in the global market because its ownership structure, level of technology, and production efficiency are quite similar to its nearest competitors. Thus, the leading market positions are at stake in the game of equal players.</li> <li>3. One of the best approaches to win and retain market leadership is to become highly client-oriented and to practice flexible principles of customer satisfaction. Strict control over the distribution channels is also considered as a competitive advantage.</li> </ol>	

<b>WEIDMANN</b>	<p><b>WEIDMANN Malyn Paper Mill, JSC</b></p> <p>Address: Prykhodko Str. 66, 11602 Malyn, Zhytomyr region, Ukraine  Tel: +380 4133 67222  Email: <a href="mailto:wicor@wicor.kiev.ua">wicor@wicor.kiev.ua</a>  Web: <a href="http://www.weidmann-electrical.com">www.weidmann-electrical.com</a></p>
<b>Company information</b>	
Industry:	Manufacture of paper and paperboard
Year of establishment:	1871
Turnover in 2010:	€ 20 MIO
Turnover in 2000:	€ 10 MIO
Average number employees in 2010:	585
Brainer(s) behind the company:	Head of the Management Board & CEO Vyacheslav Pokotylo
<b>Nature of market leadership</b>	
<p>The enterprise produces pulp-insulating materials for the electrical industry. For almost 20 years, Malyn Paper Mill has been the leading enterprise of pulp and paper industry in the CIS market. Moreover, one of the unique products offered by the mill is electrical insulating cardboard obtained by hot pressing. Malyn Mill is the only factory on the CIS territory which produces this material. Currently the electrical insulating board is rather in demand in the market. Its production is characterized by a standard level of applied technologies and high capital intensity.</p>	
<b>Nature of competitive advantage</b>	
<p>The board is an essential element for making transformers and other electrical equipment. The consumers are interested in establishing lasting relations with a supplier. Long production history and traditional market leadership combined with the adequate demand and technological innovations provide the company with the established competitive advantages. Besides a unique technical solution (Malyn Paper Mill is the only producer of the electrical insulating board obtained by hot pressing), the strongest competitive advantages of the product are pre-sale support, after-sale service and on-time delivery.</p>	
<b>Core lessons learned on the path to business success</b>	
<ol style="list-style-type: none"> <li>1. It is essential for the enterprise to keep its leading position in the CIS market, with its long and successful client history, where the geographic location of production facilities and proximity to the client are the additional competitive advantages.</li> <li>2. Innovation and distribution continue to be important factors for the company success. Barriers to entry to the market are high because of highly specialized production processes.</li> <li>3. Due to abovementioned, most probably, the competitive environment will be the same. So study the client's needs and expansion of international relations will provide sustainable development for the company.</li> </ol>	



## **COUNTRY RESEARCHERS**

## **Albania**



### **Vasilika Kume**

Vasilika Kume majored as Economist for Industry at the Faculty of Economics, Tirana University in 1979. Immediately after graduation she worked for seven years as an economist in the Rectorate of Tirana University. During the period from 1986 to 1991 she conducted her postgraduate obligations in Management. In 1998 she earned the Associated Professor title and three years later in 2001 completed her studies and gained her professorship. Since 1998, she has been the Executive Director of Master's Program at the Faculty of Economics. Currently, she is engaged in strategic management and decision-making courses at the graduate and postgraduate levels. Vasilika also teaches as part-time lecturer at some private universities and she has led several PhD students and micro thesis. Vasilika Kume is a member of the Scientific Council of the Faculty since 1996, and member of several boards, including editorial and scientific boards of journals abroad. She is the author of over 40 articles, a number of textbooks and scientific work, and has participated in dozens of conferences, both in Albania and abroad. Vasilika Kume has been engaged as national consultant in several projects like Development of Integrated Planning System, Qualitative Indicators for Poverty Monitoring in Albania, Regional Development Strategy, Urban Waste Management and the National Plan for Environment Management in Albania.



### **Anisa Kume**

Anisa Kume graduated in 2008 from the Faculty of Economics, Tirana University, (Business Administration major at the Management Department). She completed studies of Master of Second Level "Master in European Economy and Financial Institutions" at the Tor Vergata University, Rome, Italy and is completing her studies in Professional Master in "European Economic Studies" at the Faculty of Economics, Tirana University.

Currently, she works full time at the Ministry of Finance, Department of Budget Management and Administration and part-time as a teaching assistant at the Faculty of Economics, Tirana University and Albanian University in Tirana.

She has participated in a number of seminars, training sessions, and conferences in Albania and abroad, and has been published in Albanian and foreign reviews.

## **Belarus**



### **Pavel Golenchenko**

Pavel Golenchenko is the Chief Financial Officer at the Adizes Institute and a Certified Associate. As the CFO, he oversees financial functions for the Adizes Institute's many international offices. As a Certified Associate, he regularly presents advanced concepts on the Adizes Methodology to Executives and CEO's around the world. He also delivers consulting services for Adizes clients globally, facilitating their organizational change program.

Having studied at the University of Colorado, USA, and the Belarusian State University, Belarus, Pavel graduated in 1999 having earned a Master of Science degree in Management with a focus on marketing of high-tech product. He also holds a Bachelor's Degree in Civil Engineering, as well as an International Executive MBA from the Bled School of Management, Slovenia.

Pavel began his work with the Adizes Institute in 2007 when he established Adizes Belarus, the first Adizes office in the Russian-speaking world. He was one of the primary trainers at the Adizes Academy of Management where he trained hundreds of university professors in the Adizes Methodology. His exceptional ability to present Adizes concepts contributed to the addition of Adizes courses into the management education programs of countless academic institutions. In 2010, having recognized Pavel's aptitude for delivering Adizes services in both Russian and English, the Adizes Institute, headquartered in Santa Barbara, California, selected Pavel for further development. Since then, he has been working throughout the Adizes network.

Prior to joining the Adizes Institute, Pavel worked for five years as CEO of the IPM Business School, a leading provider of executive training and development programs in Belarus. He also worked as a marketing manager for BelABM, an IT integrator and distributor.

Pavel is married, has two children, and currently resides in Santa Barbara, California.

## **Bosnia and Herzgovina**



### **Denis Berberović**

Denis started his academic career as a research assistant in 2004. Previously, he gained his work experience in the field of media and public relations. Since 2007, he has worked as a teaching assistant at the Department of Marketing, University in Sarajevo. He publishes research papers in refereed proceedings on both national and international levels. Denis' main professional interest is in marketing communications and building reputation. He is a member of several consultancy teams for local companies and engaged in international research such as CEEMAN-led research on Hidden Champions in Central and Eastern Europe. In October 2010, he received his MSc (distinction) at the School of Management, University of Bradford. Denis is currently enrolled in the PhD program at the School of Economics and Business, University of Sarajevo



## **Nenad Brkić**

Professor Nenad Brkić, PhD, is an associate professor and a member of the marketing department at the School of Economics and Business in Sarajevo, University of Sarajevo, Bosnia and Herzegovina. He lectures modules in Marketing, Marketing Communications, and Public Relations and Corporate Communications in both undergraduate and graduate studies. Professor Brkić works has been published in several regional and international journals, such as Journal of Marketing Communications, Akademija MM, Trziste, and Managing Global Transitions: International Research Journal. He has participated at numerous conferences on both national and international levels, eg, EMAC, Macromarketing Conference, Corporate and Marketing Communications Conference. Professor Brkić has published 70 articles in professional journals in Bosnia and Herzegovina. He has authored and co-authored eight publications in marketing, as well as textbooks such as, Marketing and Marketing Communications Management. Professor Brkić has been an associate and researcher at several international PHARE projects. He also acts as marketing consultant in several different local and regional companies. Professor Brkić took part in 130 research and development studies. He also lectures at different executive seminars in Bosnia and Herzegovina.

## **Croatia**



## **Mislav Ante Omazić**

Mislav Ante Omazić is assistant professor at Department for Organization and Management at the Faculty of Economics and Business, University of Zagreb. He worked on a string of scientific and expert projects for Croatian and international organizations. He participated in many international expert conferences in his field of interest such as project management, change management, organizational culture, and corporate social responsibility. He is (co)founder of three NGO's and an active regional networker.



## **Rebeka Danijela Vlahov**

Rebeka Danijela Vlahov joined the Department of Organization and Management at the Faculty of Economics and Business in Zagreb in 2008 as a Teaching and Research Assistant, after completing her studies at the Faculty of Economics and Business and at the Military Academy in Zagreb. She completed a postgraduate MBA program in 2010 and started her PhD studies. She teaches management, project management and change management in seminar classes, and participates in a variety of scientific and expert projects.

## **Estonia**



## **Rein Riisalu**

Rein has been a lecturer at Tallinn University of Technology since 1999. He mainly teaches marketing and his aims are to develop students' skills in team work and problem solving (using business cases and simulation games).

Along with academia, Rein has been closely related to the management and consultancy in practice. From 2001 till 2004, Rein was a member of the management board of Estonian Electric Railways Ltd., responsible for marketing and strategy (a leading suburban public transport company operating in the capital city area). During 2006 to 2007, he was working as a marketing director in a company producing construction materials for buildings. For the last seven years, Rein has had many consultancy engagements in the fields of transportation, fishery, agriculture, food industry, and tourism. His largest project to date (2006-2007) is being the project manager and team leader of the "Ex-ante analysis for Estonian National Strategic Reference Framework and Operational Programmes 2007-2013" (assessment of the strategy for using EU structural funds' means in the 2007-2013 programming period in Estonia). Currently, he deals with CBAs in railway transportation on routes Tallinn-St Petersburg and Tallinn-Riga.



## **Anu Leppiman**

Anu has been a lecturer at Tallinn University of Technology (TUT) since 1995 and professor since 2011. She mainly teaches marketing communication, business communication and experience marketing (Business Communication and Negotiation, Communications Management, Masters Seminar). Anu has also been a HBP Lecturer (Business Communication) since 1994 and Visiting Associate Professor University of Lapland (Interaction with clients and professionals) since 2005. Anu is a Lapland Centre of Expertise for the Experience Industry Certified Experience Expert, HBP board member, Estonian Communication and Interaction Skills Trainers Union member and Estonian Association for University Women member. Her field of research is Culture and Society, Market study (experience marketing, service design, consumer behavior, and social experience).

## **Hungary**



## **Miklós Stocker**

Miklós was born in Pécs, and awarded his MSc in Business and Economics also in Pécs. His research interests include Strategic Management, Knowledge Management, and Sport Management. From 2003 to 2006 he worked at the Department of Strategic Management and later in the Department of Leadership & Management at the University of Pécs as a PhD Student. In 2005, he began to teach at the Corvinus University of Budapest (CUB) and has been project coordinator of the Weekend Degree Program. Then in 2007 he became project manager and CFO of the Weekend Degree Program until July 2010. Also in 2007, he was PhD student at the Department of Business Studies at CUB. Since 2009, he has been a member of Sport Research Center at CUB, member of Hungarian Society of Sport Science, and member of The New Club of Paris. Miklós has published several articles in English and in Hungarian, two books, and has authored a Hungarian A Journal publication. He teaches Business Economics, Applied Business Economics, Cases on Business Economics, Cases in International Business Strategy, Leadership and Management, Strategic and Business Planning, Planning and Control, Strategic Management, and works as a management consultant in strategic management and controlling projects.

## **Kazakhstan**



### **Ozat Baiserkeyev**

Ozat Baiserkeyev has the unique managerial experience working in various Kazakhstan and foreign companies. He has held several top positions in banks, industrial sector, and international trade and in business education. From 2000-2002, he worked as a Rector of the International Academy of Business. He received his BSc degree from the Kazakh State University and his PhD from the Kazakh Academy of Sciences. He got additional managerial education in a number of foreign business schools in France, UK, the Netherlands, Israel, and Slovenia.

He has wide range of experience in consulting and project management in several well-known domestic companies and banks. He is also Licensed and Certified consultant and Managing Director for Kazakhstan division of Management System Consulting Corporation (Los Angeles, CA, USA). His professional interests are: organizational assessment and diagnostics, business strategies.

## **Latvia**



### **Arnis Sauka**

Dr. Arnis Sauka is Academic Vice Rector at Ventspils University College (Latvia) and an Assistant Professor at the Stockholm School of Economics in Riga. Arnis is also a board member of European Council for Small Business and Entrepreneurship. Prior to joining the doctoral program at the University of Siegen (Germany), he was a visiting PhD candidate at Jönköping International Business School (Sweden) and held a fellowship at the University College London (UK). His main research interests are related to productive and unproductive entrepreneurship, tax evasion, entrepreneurship policies, competitiveness and social contribution of entrepreneurs, business start-ups, performance, and exits.

## **Macedonia**



### **Ljubomir Kekenovski**

Ljubomir Kekenovski is a full time professor at the University Ss Cyril and Methodius, Faculty of Economics – Skopje. He teaches Public Sector Economics on the undergraduate level, Managing the Public Sector on master level, as well as Public Enterprises Management, including at the doctoral level. From September 2009 to September 2010, he has been the Dean of the Faculty of Economics - Skopje. He has been on several academic and study visits at universities abroad, including to the University of Grenoble (France, 1991) and University of Sorbonne (France, 1995). Also in 1997, he visited The Institute for Public Private Partnership in Washington (USA), and in 2008 the MIT Sloan School within the MIT University, Massachusetts, as the Fulbright scholarship winner. In 2005, he was a visiting professor at the Faculty of Economics at the University Rennes 1, within the Erasmus Mundus programme. He has published several books: Public Sector in the development economies (Skopje, 1996); textbook Public Sector Economics – theory and application (Faculty of Economics, Skopje, 2009); Transaction cost in Macedonian economy (coauthor, Open Society, Skopje, 2008), and more than 40 papers in domestic and international scientific journals and magazines in the field of public sector, public finance and public choice theory, and participated in a number of scientific symposiums, seminars and debates.



### **Mijalce Santa**

Mijalce Santa is a teaching assistant for a group of subjects in the area of e-business at the University Ss Cyril and Methodius, Faculty of Economics – Skopje, specializing in electronic business, transformation and learning organizations. He is doing his PhD at l'Université Paris 1 - Panthéon – Sorbonne on the subject “Framework for multivariate continuous transformation to learning organization”. In 2010 he became the academic secretary of the Center for Economic Research at the Faculty of Economics. In 2003 he participated in developing the Macedonian ICT cluster for which he received Certificate of Appreciation for Outstanding Contribution. In 2004/2005 he has been a member of the committee that developed the National strategy for Information society in Macedonia. He has also actively participated in two Tempus and two FP7 projects.

Mijalce has significant consulting experience in the area of e-business to Macedonian companies, institutions and donor organizations. He is the only person from the academic community in Macedonia that has received the Certified Management Consultant by ICMCI (The International Council of Management Consulting Institutes).

## **Poland**



### **Marek Dietl**

Marek Dietl is a graduate of the Warsaw School of Economics (SGH). He earned his PhD at the Institute of Economics, Polish Academy of Sciences. During his studies he was a Junior Fellow at the University of Glasgow. Currently, he is a part-time teacher and researcher at the Department of Economics II of the Warsaw School of Economics (SGH). Marek is a Deputy Investment Director at the National Capital Fund (Poland). He has previously worked in the international consulting firm Simon-Kucher & Partners, initially at its headquarter in Bonn, then in the Warsaw office. In a period of three years, he has passed all levels from intern to the manager and finally, his proxy. Marek also has supervisory experience. Currently, he sits on the boards of companies in energy and IT sectors, and an airport. Previously, he has been a member of the supervisory board of an investment fund, a FMCG manufacturer, a leasing company and a bank, as well as on an audit committee of a non-profit association. Marek frequently undertakes community and academic activities. He is a mediator at the arbitration court of the financial supervision commission, an expert of the Sobieski Institute think-tank and employers organization Business Centre Club.

## **Romania**



### **Bogdan Rusu**

Bogdan Rusu is associate professor at Gh. Asachi Technical University of Iasi, Romania. He received his BSc degree in Mechanical Engineering from Gh. Asachi Technical University of Iasi, his MBA from University of Derby, and PhD in Management from Alexandru Ioan Cuza University in Iasi. He has been an associate professor for the Romanian Canadian MBA program in Bucharest and Director of CETEX MBA program at Gh. Asachi University of Iasi since 2010. He has participated in many international projects including TEMPUS, and other EU and Romanian funded grants. He has 84 publications, including 68 papers in journals and conferences and 16 books. His main interest and research topics are Entrepreneurship and Opportunity Identification and Innovation Management.

## **Russia**



### **Irina I. Skorobogatykh**

Irina I. Skorobogatykh is Head of Marketing chair at Plekhanov Russian University of Economics and professor of Marketing. She is the graduate of Moscow Institute of National Economy named after Plekhanov (the former name of Plekhanov REU) – the oldest economic university in Russia. She received a PhD degree in 1997 and Full Doctor of Science degree in 2011.

She has participated in many international research projects, including EU projects. Her most important research areas are: relationship marketing, consumer behavior, history of marketing thoughts and luxury brand management. Irina has more than 60 different publications in these areas in leading Russian and international journals and books. She is also editor-in-chief of the leading professional journal in Russia, *Marketing and Marketing Research* (Grebennikov Publishing house [www.grebennikov.ru](http://www.grebennikov.ru)), which was established 15 years ago and still is one of the leading marketing professional journals in Russia and CIS. Irina is a member of the European Marketing Academy, Academy of Marketing Science, Russian Marketing Guild and a member of Board of Directors of the Russian Marketing Association.



### **Zhanna Musatova**

Zhanna Musatova is an associate professor of the marketing department and Deputy Dean of Plekhanov Graduate School. In 1998, she graduated from Plekhanov Russian Academy of Economics, and in 2004 obtained her PhD in Economics (Marketing). Her thesis was about experimental research for decision making in marketing.

Zhanna is responsible for international weeks and guest lecturers' selection for Plekhanov Graduate School, for different external projects, and business contacts. She is teaching courses in Sales Management and Internet Marketing both on Bachelor and Master levels. She also participates in different educational projects for corporations: Microsoft, meat processing plant "Ostankino" and for a number of small and medium sized companies in Moscow.



## **Olga Saginova**

Olga Saginova holds a PhD in Marketing and full professorship in Marketing and Services Management. She served as Dean of Plekhanov International Business School in 1995-2002 and Dean of Plekhanov Graduate School in 2002-2011. Currently, she is Head of Comparative Economics and Entrepreneurship Department at Plekhanov Russian Academy of Economics (Moscow, Russia). She has published works in leading Russian and international journals on marketing evolution, marketing of higher education, brand management and cross-cultural marketing. In addition, she has been a guest lecturer at partner institutions in the US, Finland, Germany, and Hungary. She has contributed chapters to textbooks ranging from international marketing to cross-cultural marketing. Her main areas of research interests include service marketing, branding, and entrepreneurship.

## **Serbia**



## **Vesna Rašković Depalov**

Vesna was a teaching assistant at Higher Business School in Novi Sad for five years. During that time she started working on the project of Best Technology Innovation Contest (Ministry of Science and Technology Development of Republic of Serbia) [www.inovacija.org](http://www.inovacija.org). Currently her main field of interest and work is in innovative start up business, such as education, coaching, consulting, and networking. Having that in mind, Vesna participates in a number of projects on both university and faculty level, including: Europe Enterprise Network Project, HELP project (Higher Education Learning Partnership) UNESCO Chair, teaching on International Master study in Entrepreneurship, UNESCO Chair, Best Technology Innovation Competition project, and others. She is also co-founder of Konekta Consulting Ltd., agency for consulting high-tech enterprises.



## **Sanja Marinković**

Sanja Marinković, PhD, is a lecturer at Faculty of Organizational Sciences (FOS), University of Belgrade. After graduating from the FOS, she started working as a teaching assistant at Department for Technology and Innovation Management. At the moment, she is in the process of being elected for the position of assistant professor. Her PhD is in the field of innovation management in services. Sanja is a co-author of a book *Innovation Management and Technological Development*, in Serbian. She teaches *Strategic Management and Change*, a module in master programme developed as an EU funded project *The Training in Health Service Management in Serbia*. She is a lecturer and Link Tutor for dual diploma master programme *International Business and Management*, developed jointly by FOS and Middlesex University, London. She has participated in several national projects founded by the Ministry of Education and Science. The actual project is developing infrastructure for electronically supported learning in Serbia. Her research and teaching interests are: technology and innovation management, strategic management, development of SMEs and sustainable development.



## **Marija Todorović**

Marija Todorović is a teaching assistant at the Faculty of Organizational Sciences, University in Belgrade. Upon graduating in 2006, she started to work as an associate in teaching. In 2007, she completed her master studies of Management on the Faculty of Organizational Sciences. Since 2007, she is a student of doctoral studies of management. Regarding that and her current position as teaching assistant, her career development is focused on academic research and development. Her research interest lies in the area of project management and strategic management. Since 2007, she is the member of Organizational Committee of Serbian Project Management Association, which involves working on every year International Symposium on project management organization. In 2008, she was engaged on several projects as consultant and team member. From 2011, she is involved as a research assistant on the Strategic Project funded by the Ministry of Education and Science "Exploring modern trends of strategic management of the application of specialized management disciplines in the function of the competitiveness of Serbian economy".

## **Slovakia**



### **Tamara Bobakova**

Tamara Bobakova works as a consultant for Simon-Kucher & Partners, which is also where she first heard about Hidden Champions. A native of Slovakia, her interest in entrepreneurship has naturally drawn her to seeking out Hidden Champion candidates in this country. In her consulting assignments, she focuses on the medical technologies industry, advising clients on a variety of topics such as new market introduction, pricing, or reimbursement landscapes. Tamara holds a BA from the University of Pennsylvania, and a double MSc from Sciences-Po Paris and the London School of Economics.



### **Janka Táborecká-Petrovičová**

Janka Táborecká-Petrovičová is deputy head of the Department of Corporate Economics and Management, Faculty of Economics, Matej Bel University in Banská Bystrica (Slovakia). She is the author of various articles in international and Slovak journals and co-author of international scientific monograph *Relationship Marketing in Micro and Small Enterprises and Local Authorities – International Comparison*. She participated in different scientific and practical projects, and is currently a coordinator of the research in Slovakia within international project: Consumer Behaviour Research Network – COBEREN. She has taught at several universities abroad (Italy – Catanzaro; Turkey – Ankara, Mersin; Hungary - Budapest), and actively participated in a number of conferences (Romania, Hungary, and UK). Janka was a leader of the Managing Strategic Marketing module within MBA British Study in cooperation with Nottingham Trent University, in charge of the Marketing Information Systems and Market Research, Marketing Communication and Services Marketing courses. She also coordinates cooperation between Faculty of Economics and Association of Public Pharmacies, where she is a member of the editorial board of *Pharmacist Adviser*. Her scientific interests represent consumer behaviour, strategic marketing and relationship marketing issues.

## **Slovenia**



### **Melita Rant**

Melita Rant, PhD, serves as a Director of the Executive MBA at the IEDC-Bled School of Management and IEDC Research Coordinator. Among other activities, she has been leading and coordinating the Hidden Champions' research project on behalf of CEEMAN and IEDC.

Melita holds master in Economics and PhD in Business Administration from the Faculty of Economics, University of Ljubljana, where she also serves as Assistant Professor for courses on Organization Design and Business Design. At the IEDC-Bled School of Management she has also taught courses on Personal Development, Leadership and Managerial Accounting.

Over the last years, she has worked in close proximity with many leading CEE companies trying to contribute to their strategic and organizational changes and challenges.

Currently her research interest is focused on strategic decision-making; in particular, on effective decision-making in ambiguous settings, the impact of leader's mind-set on decision-making effectiveness, and the impact of organizational design on decision making effectiveness.

## **Turkey**



### **Dilek Cetindamar**

Dilek Cetindamar is Professor at Sabanci University, Faculty of Management, Turkey. She received her BSc degree from Industrial Engineering Department at Boğaziçi University (BU), her MA degree from Economics Department at BU, and her PhD from Management Department at Istanbul Technical University in 1995. Before her appointment to the Faculty of Management at Sabanci University in 1999, she worked at: Boğaziçi University, Case Western Reserve University (USA), Portland State University (USA), and Chalmers University of Technology (Sweden). She has been a visiting professor at Cambridge University, UK in 2008. She participated in many international projects, including UN and EU projects, and has 58 publications, including 30 papers published in various international journals and eight books. She received an "encouragement award" from Turkish Academy of Sciences in 2003. Her main interest and research topics are entrepreneurship and technology and innovation management. She has memberships in the following associations: Technology Management Association, International Association for Management of Technology, Schumpeterian Society, European Institute for Technology and Innovation Management, and Academy of Management.



## **Turkan Yosun**

Turkan is a PhD student in Management and Organization at Sabanci University. She is interested in strategic management and international business, and she is getting ready for writing a dissertation on the strategies of emerging markets multinational companies. She also has academic and personal interest in sustainability issues. Prior to starting the PhD program, she worked in various areas of finance for a total of six years. Her occupations included customer relations manager in corporate banking, and treasury specialist and new projects financial controller in auto industry.

## **Ukraine**



## **Nataliia Pali**

Nataliia started her career in media in 2001. Till 2006 she worked as a journalist, editor and deputy editor-in-chief in different weekly newspapers and monthly magazines. In 2006-2007 she practiced public relations and project management in NGO. In 2007, she took up a position of a project coordinator of International Management Institute (MIM-Kyiv), the leading Ukrainian business school. Now Nataliia specializes in public relations and international research projects concerned with the problems of competitiveness of economy and enterprises, business environment, national conditions of business development, etc. One of them is the international project “World Competitiveness Yearbook” which has been being coordinated by Nataliia for the last 5 years.



## **Viktor Oksenyuk**

Viktor Oksenyuk has been working for Kyiv-Mohyla Business School [kmbs] for seven years. Currently he is managing research and educational projects at kmbs. He has conducted four research projects during the last two years: Analysing return on investment of MBA education in Ukraine; Exploring strategies of Ukrainian leading companies in the most perspective industries; Analysing risk-taking among Ukrainians; and Researching transformation processes of Ukrainian companies (in progress). His duties at kmbs also include cooperation with Alumni Club.



## **ORGANIZERS**



## **CEEMAN – Central and East European Management Development Association**

### ***Your Window into Management Development in the World in Transition***

CEEMAN is an international management development association established in 1993 with the aim of improving the quality of management development in Central and Eastern Europe. While responding to the needs that were specific to a region with almost no tradition in business education and management development, CEEMAN has been simultaneously looking ahead towards developing management education responses to the challenges and opportunities that have been emerging from the global changes in general. As a result, CEEMAN has experienced a very dynamic growth and geographic expansion. With the global reach of 200 institutional, individual, corporate, and exchange members from 50 countries from all over the world, CEEMAN has become one of the major international management development associations.

CEEMAN organizes international conferences and executive education forums, deans and directors meetings, educational programs for faculty and administrators helping to improve leadership capabilities and operational excellence in business schools and management development institutions. It also runs annual Case Writing Competitions and CEEMAN Champion Awards for outstanding achievements in research, teaching, institutional management, and responsible management education.

While helping business schools and management development institutions to improve in all areas, CEEMAN's IMTA-International Management Teachers Academy has positioned itself as a major European faculty development program aimed at the development of a new generation of management educators for the new generation of leaders. Since its establishment in 2000, IMTA has educated 415 management educators from 126 business schools and universities from 34 countries around the world.

Consistent with its mission, as well as its value platform which celebrates diversity, culture and values, fosters creativity and innovation, and rewards results achieved and impact made, CEEMAN has also developed CEEMAN International Quality Accreditation – IQA, an international accreditation scheme which encourages key elements of this platform, rather than limits and/or forces business schools to follow one single model in business education and management development.

CEEMAN activities also address broader issues related to social responsibility of business schools in the context of the global search for a new role of business in society, sustainable development and responsible leadership for a better world. CEEMAN is a member of the Steering Committee of the UN Global Compact initiative on Principles for Responsible Management Education (PRME), while additional efforts in this area are carried out within CEEMAN Sustainability Working Group. CEEMAN is also a co-founder of Challenge:Future global youth think tank and competition on innovation and sustainable development, currently with 20,000 members from 1,300 institutions in more than 200 countries.

To promote research among its members, CEEMAN has carried out its own international research projects on improving the quality of management education:

- CEEMAN international research on *Management Training Needs at the Achieved level of Transition* (carried out in 1999-2001 in nine CEE countries) provided important lessons on the continuously changing educational needs and the need for a continuous dialogue and cooperation among the corporate world and providers of business education and leadership development. CEEMAN research on *Business Schools Responses to Global Crisis* (2009)

produced insights on how management development industry has been affected by the dramatic global changes and what they business schools have been developing to respond to the changing customers' needs and their own institutional challenges and opportunities.

- Since 2008, CEEMAN has carried out a series of surveys on the role of management education in achieving one of the major Global Millennium Goals – eradicating poverty. The results of these efforts were presented in the 1<sup>st</sup> and 2<sup>nd</sup> Global Forum for PRME.
- CEEMAN research on *Hidden Champions in CEE and Dynamically Changing Environments* (2011) is another example of CEEMAN's efforts to continue producing a body of knowledge that is highly relevant not only for business schools, but also for business practitioners and other stakeholders, including venture capital and other financial institutions, management consultants, policy makers and media as well.

[www.ceeman.org](http://www.ceeman.org)

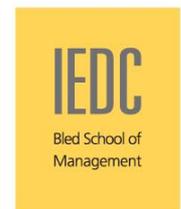
## IEDC–Bled School of Management

Established in 1986 as the first business school of its type in Central and Eastern Europe, the IEDC – Bled School of Management is one of the most prominent international management development institutions in Europe. It is a place where leaders come to learn and reflect, an international center of excellence in management development, a business meeting point, and a unique place where works of art complement a creative environment for creative leadership. Some of the world's most eminent professors and consultants teach here, and participants attend from all over the world.

The school offers a full portfolio of executive development programs and customized programs for companies, including Executive MBA and Presidents' MBA, Doctoral Degree in Management (Executive PhD), a five-week General Management Program (GMP), Young Managers Program (YMP) for younger potential managers, and Discover Management Program (DMP) for university graduates. IEDC also offers customized programs that are tailored to the specific needs of companies and organizations, and a portfolio of short executive development programs and forums for the needs of managers and leaders. IEDC's Executive MBA programs are all internationally accredited by AMBA (Association of MBAs), IQA (International Quality Accreditation), and as a specialized master's degree according to the Bologna declaration. Its executive education programs are widely recognized as among the best in Europe.

IEDC–Bled School of Management is also the headquarters of CEEMAN (Central and East European Management Development Association), IMTA (International Management Teachers Academy), the European Leadership Centre (ELC), as well as of the Slovene branch of the United Nations Global Compact. IEDC is also the founding partner of Challenge:Future, an open youth competition and global think tank accelerating ideas and talent for a future that works for all.

[www.iedc.si](http://www.iedc.si)



*A School with a View*

25  
YEARS



## **The Russian Association of Business Education (RABE)**

RABE was established in December 1990. The Association has since acquired a reputation as an innovation-focused alliance of leaders in the Russian business education market.

**RABE mission:** Provision of assistance in setting up Russia's business education market and building an effective educational system to deliver world-class staff training for domestic and international companies and organizations.

### **RABE Today: Membership and Geography**

Each passing year sees growth in our membership comprising an array of expertise in business and reflecting a wide geographical coverage. RABE has over 150 members from 38 cities in 30 regions of Russia, CIS and other countries. The vast majority of our members are public and non-public higher educational institutions, regional training centers, businesses and commercial enterprises

[www.rabe.ru](http://www.rabe.ru)



## **Association of Management Education SEM FORUM**

The Association of Management Education SEM FORUM was officially registered in February 1993 in Warsaw on the initiative of 19 charter members interested in promoting management education in Poland. It is an organization open to all people, business schools, enterprises and educational institutions and organizations that are interested in providing and supporting high quality education in this field. The aim of the SEM FORUM is to promote and implement the best solutions that serve this purpose.

On 4 July 1994, twelve schools and institutions reached a Business Schools Agreement on Quality of Education which enabled the creation of a professional accreditation system in Poland. The agreement established the Accreditation Committee, built accreditation procedures and determined high quality standards for programs in Management, Economics, Finance and Banking - at different levels of studies, including MBA programs.

In 2004 FORUM started with institutional accreditation, and since 2006 it organizes rating of MBA programs run by schools on Poland.

Members of the Association strive at a common opinion on questions of management. SEM FORUM attempts to be representative of the community and upholds its interests vis-à-vis the government and non-governmental organizations.

[www.semforum.org.pl](http://www.semforum.org.pl)



## **Austrian Federal Economic Chamber (WKO)**

Based on the Economic Chamber Act, the Austrian Federal Economic Chamber is a democratic, self-governing body, funded by its members.

This guiding principle ensures the best possible representation, coordination and balance of sector and size-related interests. Since the greater part of the Austrian business community speaks with one voice through the Austrian Federal Economic Chamber, the latter is the perfect intermediary to represent Austrian business and industry.

The Austrian Federal Economic Chamber advocates the social market economy, the deepening and enlargement of the EU, international free trade, subsidiarity and self-government, a dynamic conception of competitiveness, a new dimension of social partnership and social responsibility.

The Austrian Federal Economic Chamber coordinates and represents the interests of the Austrian business community at a national and international level.

Within the Austrian Federal Economic Chamber's system, it functions as the national umbrella organization for the 9 regional Chambers (one in each of Austria's federal regions) and 95 trade associations for different industries on the federal and 581 trade associations on the regional level. Regional Chambers and associations have local offices to provide services in close proximity to members.

[www.wko.at](http://www.wko.at)



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