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THE SUCCESSFUL BILATERAL BUSINESS ACTIVITIES OF THE YUMIS COMPANY FROM THE REPUBLIC OF SERBIA IN THE CZECH REPUBLIC

THROUGH THE AID FOR TRADE PROGRAMME – SERBIA
OF THE MINISTRY OF INDUSTRY AND TRADE OF THE CZECH REPUBLIC

<http://cz-rs-clusnet.clusterhouse.rs/>

Niš, Serbia
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The Importance of Clusters for the Trade and SMEs Development
The project is co-funded by the Ministry of Industry and Trade of the
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<http://cz-rs-clusnet.clusterhouse.rs/>



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INTRODUCTION

The successful bilateral business activities of a company from the Republic of Serbia in the Czech Republic is one of the results of international development cooperation project „The Importance of Clusters for the Trade and SMEs Development“, co-funded by the Ministry of Industry and Trade of the Czech Republic within the Aid for Trade programme – Serbia, implemented by the Cluster House and Czech National Cluster Association.

The main objective of the project was to strengthen the business cooperation of small and medium-sized enterprises in the Czech Republic and the Republic of Serbia based on the internationalisation of cluster organisations in both countries and knowledge transfer between the Czech National Cluster Association and Serbian Cluster House regarding the development of clusters.

The YUMIS Company, a member of the Agriculture and Food Processing Cluster of the Republic of Serbia, is selected based on analysis of internal factors, external factors and entrepreneurial factors. The case study of the Serbian export-oriented YUMIS Company in the Czech Republic will be an excellent example and model for other Serbian export-oriented enterprises with a strategic focus on business cooperation with the Czech Republic.

METHODOLOGY ON DATA GATHERING AND CASE STUDY PREPARATION

Because of the problematic of the research, case study and qualitative research perspective is accepted most appropriate method to understand the concepts in detail. Since the success factors of the mapped export-oriented clusters and SMEs in the Republic of Serbia are evaluated, the case study was chosen from the Agriculture and Food-Processing Cluster of the Republic of Serbia. The Agriculture and Food Processing Cluster of the Republic of Serbia (AgriFoodClusRS) exists in the form of platform of twelve cluster organizations in the field of agriculture and food processing field in Serbia, under the coordination of the Cluster House Nis Serbia. The Cluster House is a cluster management organization of the AgriFoodClusRS.

The main selection criterion has been related to the percentage of the annual revenue which is coming from exports and experience in cooperation with the Czech market or partners.

The data gathering technique of the study is composed of structured surveys. The questionnaire involved five main sections. In the first section of the survey was related to find out owner's entrepreneur typology in detail. According to entrepreneurship stories of the company and the answers given by the company related to education, background, risk and future orientation behaviour of its entrepreneur, the YUMIS Company is classify as the growth oriented entrepreneur type.

The second section is related to understanding the structure of the industrial environment and the level of competition in the industry with the special focus on the importance of the strength of globalization and the degree of transferability of competitive assets dimensions during strategic thinking of local company in transitional economy during the globalization process.

In the third section, the organization's strategic orientation was measured by using the questionnaire with aim to collect information related to innovation and change, and a flexible organizational structure. The YUMIS Company watches competitors closely, and then adopts the most promising new ideas using their efficient research and production skills. It has proactive export-oriented strategy.

In the fourth section, prior competitive capabilities of the company were requested as internal success factors.

THE GENERAL PROFILE OF THE YUMIS COMPANY

COMPANY			
Name:	YUMIS d.o.o.		
Address:	Bulevar Svetog cara Konstantina 80-86		
Telephone:	+381 18 561 421		
Fax:	+381 18 561 422		
E-mail:	export@yumis.rs		
Web site:	www.yumis.rs		
Date of registration:	25.12.1991.		
ID No:	07720297	VAT No:	101858325
INDUSTRY:	food processing industry		
TEMATIC FOCUS:	Production of soups, spices, teas, puddings, creams, ice cream, packaged food, fine powder products.		
No of employees:	230		
CONTACT PERSON			
Name and surname:	Aleksandra Novovic		
Function:	Export manager		
Contact telephone:	+381 62 88 47 007		
E-mail	aleksandra.novovic@yumis.rs		

Company's logo:



Company's slogan

A FRIEND OF YOUR CUISINE

Vision statement

Leading position in the production and products placement on the domestic and foreign markets, constantly improving business relations with customers and increasing the benefits for the final consumer.

Mission statement

Meeting the final consumer and modern family needs, producing the highest quality products, manufactured in organizational business terms according to international standards.

Export-based company's interest:

Distribution of products or direct cooperation with retail chains in the Czech Republic.

ENTREPRENEURSHIP STORY OF THE YUMIS COMPANY

Mr. Milovan Kocic, a president of the YUMIS Company which is based in Nis City in Serbia, was born in a noble craft family in Babušnica, in the poorest part of South Serbia, in June 1, 1958. A few years later the family Kocić moved to Niš, where Mr. Milovan Kocić finished primary and secondary schools in Nis, and the Faculty of Economics Science of the University of Nis.

His first job was an officer in the commercial department of the large company “Machinery Industry - MIN” in Nis in the former Yugoslavia where he acquired the essential experience for the further development of his career. During unstable times and the breakup of Yugoslavia, he exceeded to Lignohem Company from Doboj to trade caustic soda and other chemical agents.



Due to his entrepreneurial spirit inherited from his father Rajko, he decided to start his own business and established the private company YUMIS in Nis in December 25, 1991. Since 1991 up to now the small, family-owned company is developed in the company which is recognizable not only on the local and regional level, than on the global market.

In his entrepreneurial career Mr. Milovan Kocic always went a step ahead of the competition and his vision paved the way for the development of the company such as development of professional skills of employees or transfer of new technologies and new product development. 1996 is a milestone year in the development of new business and pave the way for Mr. Milovan Kocic and the Company.

“Going back to the not so distant past, in year of 1991, now the historical year in many ways for the YUMIS Company, I would single out a few stations which seem to be crucial for my 25-year old journey. A milestone in YUMIS development occurred in year of 1996, when we started with the production of soups according to the unique recipe for which we are recognized on the market today, with the flavors and elements of the Southern region of Serbia. Another important station in YUMIS

development is YUMIS products placement on the foreign markets and the fact that from one local company YUMIS grew into reputable manufacturer who with its products managed to win the tastes worldwide. Although in third place, the most important station in this journey is that YUMIS as a privately owned company exists a quarter of a century, and that together with me work and build YUMIS 230 people and associates. I consider it my greatest wealth and success." Mr. Milovan Kocic said.

The line of soups with the taste which is typical for the South Serbia was the basis of Mr. Milovan Kocic's consideration that determined the way and set up a further development of the YUMIS Company. The Mr. Milovan Kocic's vision was ahead of time and soups became a product for which the YUMIS Company and the Nis City are known in the region.

During his growing up people could see that he was destined for success and a great deed. In the Mr. Milovan Kocic's statement are summarized a motto and a formula for the success:

"During the boyish days, I was interested in different things that other children were not be interested and I aspired to reach big goals at that time. Great achievements had always been ahead of me, and I was more willing to reach them how they were coming. Visionary, consistency and energy, which never left me, is the key to my success. I always said, if someone else on the Earth can do something, then I can do it. Believe in yourself and success is there."

Among the numerous awards that he received honors include an Award on Businessman of the Year 2014 organized by the Club of Economic Journalists of Serbia and The Manager of the Year for SE Europe in 2016 in Sarajevo, BiH, Mr. Milovan Kocic was elected as an owner of the private company for a President of the Regional Chamber of Economy Nis (2010-2011).

He was also a member of different associations and institutions such as the following:

- Member of the LEDIB Cluster House Union (since 2011), Nisava District, Serbia,
- Chairman of the Business Association "Medianum" Board of Directors Nis, Serbia,
- Member of the Association of Economists of Nis, Serbia,
- Member of the Assembly of the Serbian Association of Economists, Belgrade, Serbia,
- Member of the Commercial and Economic Council of the City of Nis, Serbia.

Mr. Milovan Kocic and the YUMIS Company are selflessly helping young talents and giving significant humanitarian donations to support development in the City, Nis Region and Serbia.

THE YUMIS COMPANY CASE STUDY

YUMIS Company from Niš was established in 1991 as a privately owned company. The main activity of YUMIS is the production of **soups, seasonings, instant noodles, puddings, whipped creams, teas, peanuts, confectionery products, additives for bakery industry and various other products**. HACCP, IFS, ISO 14001:2004, ISO 9001:2008 and HALAL guarantee the quality of products and the whole business operations. YUMIS company now has 230 employees.

The YUMIS Company export and turnover growth in the period 2010-2015:

<i>Year</i>	<i>EXPORT GROWTH</i>		<i>TURNOVER GROWTH</i>	<i>INVESTMENTS</i>
	<i>Domestic market</i>	<i>International market</i>		
2010	77%	23%	7.5 mil. EUR	200.000 EUR
2014	64%	36%	9.0 mil. EUR	320.000 EUR
2015	62%	38%	10.0 mil. EUR	500.000 EUR

The investments are the base for sustainable growth and development of the Company, aimed at continuous improvement of processes and employees. During 2015 over half a million euro's was invested in a new production line of soups and seasoning. This investment is based on the most advanced technology, according to strict international food standards, providing safe products of highest quality. It permits maximum optimization of business processes and led to a significant reduction in production costs. Daily production capacity are increased over 30 tons of seasonings/ soup, on average more than 300,000 units of finished product per day. These data are of strategic importance for the further development of the Company allowing the placement of high-quality products at very competitive price to existing and new markets.

YUMIS is one of the leaders on domestic Serbian market and our products are available in all KA and local KA market chains.

In addition to quality guarantee for its own brands, YUMIS stands behind the quality of product range under the private labels of large systems as follows: RIAL, K PLUS, Mercator, BAS BAS, ARO, TOB BUDGET, BRAVO, VERO, SPAR, FINO, IWI, BONUS PLUS, MARINERO.

In addition to the results on the domestic market, YUMIS is focused on achieving the set goals and to international markets. YUMIS's development strategy is based on long term partnerships with its business partners and distributors while providing the maximum marketing support.

YUMIS products can be found on shelves in over 5,000 sales points and 20 foreign markets: Macedonia, Montenegro, Albania, Bosnia and Herzegovina, Kosovo, Croatia, Greece, Italy, Germany, France, Sweden, USA, Bulgaria, Romania, Russia, Belarus, Australia, Austria, Somalia, Kenya.

Expansion plans are focused on the markets: Czech Republic, Canada, Hungary, Slovenia, Moldova, Poland, Slovak Republic, Ukraine, Lithuania, Kazakhstan...

For the last two years YUMIS has been especially concentrated on the developing recipes for the international markets, according to the specific inquiries and requirements from the particular market. Furthermore, YUMIS developed new product categories such as: microwave popcorn, powdered ice tea, sauces, vegetable mixtures for meat backing, tea cookies and biscuits, sandwich biscuits, instant soups, premium teas and seasonings without MSG * Monosodium glutamate.

The YUMIS R&D service progressed over the years is capable of creating and developing customized products to meet our customers' needs and expectations, to offer them nutritious and tasty recipes from the complete product range.



Since YUMIS's focus is expansion on Czech Republic markets they see in the cluster-based SME trade bridge between Czech and Serbia, managed by the Czech National Cluster Association and the Serbian Cluster House, as a great opportunity to link with potential business partners on this market.

In spite the fact that up to date YUMIS did not export their products to Czech Republic , the YUMIS Company would like to emphasize that one of their strategic partners is the major raw material supplier the Vitana Company from Prague.

Vitana is a modern food company which at the present time employs approximately 600 workers. Their portfolio comprises more than 300 kinds of products made in three production plants: Byšice, Roudnice on Labe, Varnsdorf. As of April 2013, they became part of the Norwegian multinational concern Orkla ASA – the leader in the Scandinavian market of branded food.

The Orkla ASA company, listed on the stock exchange in Oslo, Norway leads the market in branded consumable goods in the field of food, toiletries and household products which are distributed in the Nordic countries and the Baltic States. Orkla ASA also holds a substantial corner of the market in some product categories in Central Europe and India as well as leading the European market of bakery products. In addition, it is closely involved in the real estate business and in the field of aluminium products. As of 31 December 2015, Orkla had 14,670 employees. The Group's turnover in 2015 totalled NOK 33.2 billion.

The Vitana company specializes primarily in dehydrated and ready-made food and seasonings. Besides traditional dehydrated soups, Vitana also offers instant soups, ready-made meals, instant ready-made meals, bouillons, liquid seasonings, sauces, short order meals, spices and mixtures of spices. Other categories of our products include side dishes such as rice, legumes, pasta and potato products.. The Vitana company also offers sweet products such as desserts and products for baking.

Unit Vitana Food Ingredients (VFI) was established in 2003 as the result of moving part of their food ingredients production from Norway to Vitana. In 2004, the transfer of new technology in ingredience production was successfully completed and since mid 2005, the production of food ingredients has been performed in the Bysice factory. At the present time, VFI is considered to be the European market leader in the categories of HVP (Hydrolyzed Vegetable Proteins) and Beef Extracts in powdered foods.

The Serbian YUMIS Company is developing and growing its business in many fields based on the following the business results and success of the Czech Vitana Company, from which more than a decade is ordering raw materials for certain products. The business development strategy of the

VITANA Company, access to new market, range of products diversification, packaging, design and visual identity influenced on the Serbian company to improve its own business profile, image and portfolio.

The YUMIS Company Development Plans:

- *New markets acquisition and strengthening of export activities in the Czech Republic.*
- *Monitoring consumer demands that are constantly changing, responding with appropriate marketing mix are instruments which will YUMIS implement striving to achieve even better results.*
- *The focus of activities will be directed to the final consumer, as the holder and the main factor of our business success.*