

HUNGARY

Diversify the rural economy

Location

Kakucs

Programming period

2007 - 2013

Axis / Priority

Axis 3 – Quality of life in rural areas and diversification of the rural economy

Measure

M313 - Encouragement of tourism activities

Funding (EUR)

Total budget 421 706
EAFRD 176 712
Private 127 186

Project duration

DEC 2009 – DEC 2014

Project promoter

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The Deák family using EAFRD turned into a farm into mansion house to offer tourism services based on the old traditional rural way of life and hospitality while setting up a network of local suppliers and producers.

Summary

The village of Kakucs near Budapest had no touristic facilities. The Deák family inherited a farm which they decided to turn into a mansion house. They aimed to offer tourism services based on the old traditional rural way of life and hospitality and help pass on local traditions.



The activities carried out by the beneficiaries included connecting the farm into the electrical grid, getting drinking water by drilling a well, the re-construction of the mansion which started in parallel to the interior design preparations that included purchasing or producing the furniture and the necessary equipment. The beneficiaries also build their service network. The family entered into cooperation agreements with potential local suppliers and producers. This would ensure that products such as vegetables, fruits, honey, crafts and other products that are produced within the area would be available in the mansion.

Results

Creation of a high standard accommodation with 8 rooms, 16 beds and an event hall with 200 places as well as dining service within the local rural tourism.

There are more than twenty local or neighbourhood businesses with that the Deák Mansion House is in permanent contact, they buy food, commodity and services such as cleaning, laundry, ironing or gardening from local entrepreneurs.

In addition to the indirect job creation the project generated jobs, the Deák Mansion House has 3 employees.

The increasing rate of the number of guests and visitors shows that the idea was realistic and based on real need. The form of rural tourism creates the condition of adapting to individual needs and sustainability.

Lessons & Recommendations

- ❑ After the decision about the EAFRD support was taken, the most difficult issue was finding the financial framework since the total cost of the project was almost 2,5 times more than the support and it had to be pre-financed.
- ❑ During the project selection process, in the first round the project was rejected. The decision, based on the LAG's advice was appealed. Because of the time consuming administrative process and the appeal, there was nearly two years delay in the start of the implementation.
- ❑ There is a bigger demand for the accommodation as they thought; they could host more guests than they do at the moment. The current extra demand can be resolved in cooperation with the neighbourhood accommodations.
- ❑ The original construction plans should have been revised by an architect specialised for facilities and accommodation who would have been able to filter the specific errors that occurred during the construction.

Context

The village of Kakucs has more than 3 000 inhabitants and is located 40 km away from Budapest on the territory of “Felső-Homokhátság” Local Action Group. The settlement had no touristic facilities. The members of the Deák family inherited from their grandparents a farm which is 3 km away from the village and they decided to create a mansion house. They wanted to offer tourism services based on the old traditional rural way of life and hospitality and help pass on local traditions.

Objectives

The objective of the Deák family was to build an integrated supply chain of tourism services in the area. Accommodation and a traditional centre would be created offering to visitors rural and culinary traditions experiences. The general idea was to build a facility for providing traditional food made from local products, as well as activities including horse riding, horse-drawn carriage, hunting, archery, and crafts workshops. The inhabitants of the region could become part of the chain as local entrepreneurs and also make a profit.

Activities

The first activities of the beneficiaries included finding the necessary financial resources, connecting the farm to the electrical grid, getting drinking water by drilling a well and contacting the concerned authorities and to obtain the permits required.

Another activity was the construction of the mansion which started in parallel to the interior design preparations that included purchasing or producing the furniture and the necessary equipment.

At the same time the beneficiaries were working to build their service network. Following a suggestion from the LAG the family entered into cooperation agreements with potential local suppliers and producers. This would ensure that products such as vegetables, fruits, honey, crafts and other products that are produced within the area would be available in the tourism chain.

The next step was the signing the cooperation agreements with the local service providers, the selection of the employees, allocating roles to the family members and

agreeing on tasks and responsibilities, as well as the development of the work schedule.

A large part of the work was carried out by the family members themselves. The furnishing, the aesthetic design of the interior of the house were the task of the female members, while the construction, ovens, kitchen tools, purchase of machinery were the task of the male members of the family. When it came to take common decisions everyone equally assumed the responsibility.

The beneficiaries throughout the project design and the implementation stage were in constant contact with the Local Action Group covering their area.



“We must see at family and community level that we belong to somewhere, and we are on a common way with common goals, where the past meets the present and the future.”

Beneficiary



Main Results

Creation of a high standard accommodation with 8 rooms, 16 beds and an event hall with 200 places as well as dining service within the local rural tourism.

The clientele has changed from the original idea, since the target group is no longer the local and nearby elementary school groups, but mainly guests of celebrations, weddings, birthdays, christenings and other family related or corporate events.

From the original idea they could preserve the traditional services and dishes that enable in a farm environment the presentation of local natural and cultural values.

The facility has the greatest demand for the wedding venue, its romantic vintage style interior and the distance from populated area is a great attraction for the guests.

The village has expanded with a high-quality accommodation service, the locals also like to visit the Deák Mansion House, resort their services, bring and propose guests and as a result the local tourism has increased. There are more than twenty local or neighbourhood businesses with that the Deák Mansion House is in permanent contact, they buy food, commodity and services such as cleaning, laundry, ironing or gardening from local entrepreneurs.

In addition to the indirect job creation the project generated jobs, the Deák Mansion House has 3 employees.

In addition to organizing weddings they offer local services to the guests, which are primarily related to the event (bands, transportation, beauty and health services). Special programs are also offered, mainly related to traditional holidays (Easter, St Martin's Day, New Year's Eve, etc.).

The increasing rate of the number of guests and visitors shows that the idea was realistic and based on real need. The form of rural tourism creates the condition of adapting to individual needs and sustainability.

Key lessons

After the decision about the EAFRD support was taken, the most difficult issue was the creation of the financial framework since the total cost of the project was almost 2,5 times more than the support and it had to be pre-financed.

During the project selection process, in the first round the project was rejected. The decision, based on the LAG's advice was appealed. Because of the time consuming administrative process and the appeal, there was nearly two years delay in the start of the implementation.

The project is a good example of how a family can get involved in the establishment and operation of a touristic investment based on local needs. Each member of the family went through a personal development process where their skills and knowledge (management, IT, marketing, communications, business planning and sales) could be developed.

The operational tasks are fitting to the family members, it means that the previously developed family model hierarchy had to went through a certain change and two (in a wider sense three) generations have to take decisions and work together on a daily basis. Otherwise in Hungary there are only a few examples for such family businesses.

More skilled staff would be needed, but the current capacity does not allow it yet.

There is a bigger demand for the accommodation as they thought; they could host more guests than they do at the moment. The current extra demand can be resolved in cooperation with the neighbourhood accommodations.

The original construction plans should have been revised by an architect specialised for facilities and accommodation who would have been able to filter the specific errors that occurred during the construction.

The curiosity, helpfulness and interest of the local community were important for the project. The local inhabitants are proud on the Deák Mansion House, they think on it as a common value.

Additional sources of information

<https://www.facebook.com/deakudvarhaz/>

www.leadercontact.com