

SLOVENIA

Diversification & job creation

Location

Savinjsko-Šaleška and
Koroška

Programming period

2014 – 2020

Priority

P6 – Social inclusion & local
Development

Measure

M08 - Investments in forest
areas

Funding (EUR)

Total budget 80 340
EAFRD 23 145
National/Regional 7 715
Private 49 480

Project duration

2017 – 2018

Project promoter

Danica Urbanc s.p.

Contact

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Website

n/a

A small family forestry business used RDP support to acquire new machinery that would enable it to respond to the increasing demand for forest services.

Summary

The Urbanc family has been involved in the forestry business for decades. In 2006, they set up a company which employs two workers and offers services to the public and private sectors, in the Savinjsko-Šaleška and Koroška area. In recent years, there has been an increasing demand for forest services. The machinery that the company used for these services was old and could not support further expansion.



RDP support was used to acquire a four-wheel drive standard tractor designed exclusively for forestry work and other necessary equipment, such as nets and safety equipment, a forestry winch and a pulley.

Results

The new tractor is stronger and faster, and its performance is around 30 - 40% more efficient in comparison to the old one;

Working with the new tractor is easier and safer for the workers. Manoeuvring is easier and the air suspended seat causes less shaking.

The company can take on larger orders and improve production planning.

Lessons & Recommendations

- ❑ Operating a small business requires careful planning in terms of financial flows. This is especially true because of the time needed to get VAT reimbursed and to receive contribution from the RDP.
- ❑ For small businesses in the sector, the use of computers and the internet, as well as engaging in the preparation of the application and paying attention to the specific funding requirements, can be quite challenging.

Context

The Urbanc family has been engaged in logging for about 40 years. The father of the family used to work for a forestry company and in 2006, the family set up a private business lead by Ms Danica Urbanc. The core activity is felling wood, mainly in the Savinjsko-Šaleška and Koroška area. The Urbanc business employs two forestry workers and has established cooperation with other forestry service suppliers in order to be able to process larger orders. The increasing demand for forest services is due to the fact that in the past few years, Slovenian forests have been hit by several natural disasters, including ice damage, heavy winds and bark beetle attacks.

At the same time, technology in the sector has improved significantly over the past years. However, the machinery which the company was using was rather old and was lower-performing than larger and better equipped providers. Thus, the family decided it was time to modernise its capital assets.

Objectives

The objective of this investment project was to modernise and increase the production capacity of the company and thus increase its competitiveness, while also improving the working conditions.

Activities

An application under the Sub-measure M8.6 - *Support for investments in forestry technologies and in processing, mobilising and marketing of forest products*, was prepared with the support of the agricultural advisor. In the preparation process, the needs of the company were carefully mapped. Based on this analysis, the advisor and the beneficiary developed specifications for the project in order to best suit their needs and to fully comply with the requirements and objectives of the call for proposals.

The support granted from the RDP was used to acquire:

- A standard tractor, 4-wheel drive, 75-94 kW, designed exclusively for forestry work;
- Upgrade the equipment they use, including nets and safety equipment;
- A forestry winch;
- A pulley;
- A remote radio control system.

Several offers were collected before the final order.

Main results

The new tractor is stronger and faster, and its efficiency has increased by 30 - 40 % in comparison to the old one.

Working with the new tractor is easier and safer for the workers, and in addition less physical work is required. Manoeuvring is easier and the air suspended seat causes less shaking.

The company has improved its logging capacity. This enables the small business to take on larger orders and to better plan the production. About half of the annual services go to the Slovenian state forests, while the rest are offered to the market.

Key lessons

Operating a small business requires careful planning in terms of financial flows. This is especially true because of the time needed to get VAT reimbursement and RDP contributions.

For many small businesses in the sector, the use of computers and the internet, as well as, engaging in the preparation of the application and paying attention to the specific funding requirements can be quite challenging.

One of the lessons learnt was that it can be advantageous to join forces to establish a joint limited company with stronger financial and human resource capacities in order to be able to take on larger orders and to invest more in growing the business.