



Final Report

**Project title:
«Promotion and Export Support for Wood Processing and
Forestry Cluster Companies in the Region Central BiH»**

Project is financed by USAID CCA

Project is co-financed and implemented by REZ Agency

Total cost of the Action: 50.166,00 KM

Period of implementation: 15th May 2007 – 30th September 2007



GENERAL INFORMATION

Area of implementation

Region of Central BiH

Target group – companies included in the regional survey

At least 20 small and medium sized enterprises from wood processing industry sector, members of CBH Wood Processing and Forestry Cluster

Beneficiary group

10 SMEs with the highest exporting potential

Project objectives

Project objectives are:

- assistance to SMEs from wood processing sector in improving their exporting capacities
- promotion of entrepreneurship
- market survey in order to find an adequate foreign partners to the Project beneficiaries
- improvement competitiveness of domestic companies on the foreign market

Project activities

- Survey on export potential of the enterprises from wood processing sector in the Region of Central BiH
- Designing and developing web sites for 7 to 10 companies
- Designing and printing product catalogues for 10 companies
- Establishing linkages with potential partners

Expected results

- Enterprises from the Beneficiary group improved their export related image
- Promotion of the Beneficiary group improved, through designing and preparation of printed and digital promotional materials (catalogues and web pages)
- Enterprises from the Beneficiary group more prepared for the foreign market

Final report (15th May 2007 – 30th September 2007)

**Related to the activities covered by Purchase Order Number:
#114 – CCA - 07, Article I a**

1. Surveying export potential of WP companies

After Project Proposal had been approved and the contract with USAID CCA signed, detailed Action plan was prepared in order to define timing for each activity/sub-activity of the Project implementation.
(See Activity report No. 01 - Annex A: Action Plan).

The essential starting point of the Project was surveying of 20 wood processing companies - members of CBH Wood Processing and Forestry Cluster. The list of the companies was attached to the Project Proposal.

The questionnaire, already developed within project COMETS (Competitive Market-based Export and Trade Service Centre), was adapted for the needs of wood processing companies. It is comprehensive document, containing following data:

- company data
- production process and products data
- financial data
- company's needs defined by it's management
- comments by Business Advisor and Marketing Officer

The questionnaire was used as the tool to distinguish Beneficiaries among the Target group of SMEs, by performing direct contact with each company (field visits). Business Advisor and Marketing Officer visited each company within the Target group in order to conduct interviews and fill in the questionnaires. All questionnaires were filled on the basis of answers, papers and statements of SME owner/manager.

(See Activity report No. 01 - Annex B: Questionnaires of companies surveyed)

Problem, recognized on the field, was that below listed companies did not express interest to participate in the Project:

1. BMT d.o.o. Vitez
2. DIZAJN d.o.o. Vitez
3. Tvornica šibica d.d. Travnik
4. JANJ – tvornica ploča i furnira d.d. Donji Vakuf
5. KOMERC 3 d.o.o. Gornji Vakuf/Uskoplje

That SMEs were replaced with the following wood processing companies, that are also members of the Cluster:

1. ROSE-WOOD d.o.o. Gornji Vakuf/Uskoplje
2. DIVAN d.o.o. Vitez
3. DELIBAŠIĆ POLIURETANI d.o.o. Kakanj
4. ZEDEX d.o.o. Zenica
5. VLAŠIĆ MG d.o.o. Travnik

There were 20 companies included in the survey.

All data, collected through the survey, were entered into existing REZ database in order to simplify manipulation with acquired information, and can be used for other CBH Wood Cluster development activities, if necessary.

After survey had been conducted and all collected data had been digitalized, criteria for selection of the beneficiaries were defined.

Information, suitable for establishing criteria for beneficiary selection, were extracted from the questionnaire and used to define 14 indicators:

- Management education
- Production/Admin employee ratio
- Educational structure
- Promotional activities
- Institutional membership
- Machinery
- Quality management system
- Standardization
- Products
- Export
- Consolidated balance
- Income balance
- Net income/loss
- Investments

Criteria for selection of the Beneficiary group were attached to the Activity report No. 01 - Annex C: Criteria for Selection of the Beneficiary group.

On the basis of developed scoring system and judgment of Business Advisor and Marketing Officer, 10 companies, with the highest exporting potentials, were selected among Target group of SMEs:

1. ROSE-WOOD d.o.o. Gornji Vakuf/Uskoplje
2. DELIBAŠIĆ POLIURETANI d.o.o. Kakanj
3. BARBARA d.o.o. Žepče
4. DIVAN d.o.o. Vitez
5. EUROIMPEX-AN d.o.o. Zavidovići
6. GRAND d.o.o. Busovača
7. ZEDEX d.o.o. Zenica
8. KRIN d.d. Zenica
9. BAJAS d.o.o. Tešanj
10. MAY d.o.o. Tešanj

Evaluation sample of an enterprise is attached to the Activity report No. 01 - Annex D: Evaluation Sample of an Enterprise.

The ranking list of surveyed companies was attached to the Activity report No. 01 - Annex E: The Ranking List

The list of 10 selected companies was sent to USAID CCA to be approved.
(See Activity report No. 01 - Annex F: Top 10 Rankings)

Export profiles for 10 top ranked companies were created. Export profile document contains basic business information and can be used for any kind of initial contact with potential foreign business partner.

Export profiles of Project beneficiaries were attached to the Activity report No. 01 - Annex G: Export Profiles of Project Beneficiaries.

2. Designing and developing web sites

As per Project Proposal, it was planned 7 to 10 web pages to be designed or re-designed within this Project.

Designing and developing of the web site consisted of the following activities:

- secure a domain for the web site
- visit companies in the field in order to define content of the web site
- preparation of texts and photos to be posted on the web sites
- lecture and translation of text
- design and develop the web site

Companies were informed to secure a domain for the web site. They paid this cost themselves.

Business Advisor and Marketing Officer, together with Web/Graphic Design Officer, organized initial visits to all selected companies and agreed to the content of the web page.

In the previous period all companies were visited a few times in order to prepare texts, photos and to approve draft version of the web site.

Professional lecturer and translator were engaged to prepare text and translate it in English. Web pages are on local and English language.

Web pages are unique, designed in accordance to the products and production process, as well as to the company requirements.

All designed web pages were presented to the companies in order to be approved. After approval, web pages were posted on Internet:

1. ROSE-WOOD d.o.o. Gornji Vakuf/Uskoplje
www.rosewood.co.ba (re-design)
2. DELIBAŠIĆ POLIURETANI d.o.o. Kakanj
www.delibasic-poliuretani.ba (design)
3. BARBARA d.o.o. Žepče
www.barbara.ba (design)

4. DIVAN d.o.o. Vitez
www.divan.ba (re-design)
5. EUROIMPEX-AN d.o.o. Zavidovići
www.euroimpex-an.ba (re-design)
6. GRAND d.o.o. Busovača
www.grand.ba (design)
7. ZEDEX d.o.o. Zenica
www.zedex.com.ba (re-design)
8. KRIN d.d. Zenica
www.krin.ba (re-design)
9. BAJAS d.o.o. Tešanj
www.bajas.ba (design)
10. MAY d.o.o. Tešanj
www.tnmay.ba (design)

USAID logo is displayed on all web pages and may be used as the link to USAID official web page.

Printouts of above mentioned web sites, as well as digital web pages info, were attached to the Activity report No. 02 - Annex A.

3. Designing and printing product catalogues for WP companies

Designing and printing of catalogues consisted of the following activities:

- field visits in order to define type and content of printed material
- preparation of texts and photos for catalogues
- lecture and translation of the texts
- graphic design of catalogues
- tender procedure for printing company
- printing of catalogues
- distribution of catalogues to the companies

Business Advisor and Marketing Officer, together with Web/Graphic Design Officer, organized initial visits to the companies in order to define what kind of printed promotional materijal each company require. Selected companies have different production program, as well as number of products, and their requirements, regarding promotional material, are different. Format and type of material were recommended to the companies by REZ staff. After discussion with companies representatives, the following structure of printed material was selected:

1. ROSE-WOOD d.o.o. Gornji Vakuf/Uskoplje	file 3A4 and leaflet A4, 2 pcs
2. DELIBAŠIĆ POLIURETANI d.o.o. Kakanj	file 3A4 and leaflet A4, 2 pcs
3. BARBARA d.o.o. Žepče	catalogue B5, 8 pages
4. DIVAN d.o.o. Vitez	file 3A4 and leaflet A4, 1 pcs
5. EUROIMPEX-AN d.o.o. Zavidovići	file 3A4 and leaflet A4, 1 pcs
6. GRAND d.o.o. Busovača	file 3A4 and leaflet A4, 1 pcs
7. ZEDEX d.o.o. Zenica	file 3A4 and leaflet A4, 1 pcs
8. KRIN d.d. Zenica	file 3A4 and leaflet A4, 1 pcs
9. BAJAS d.o.o. Tešanj	file 3A4
10. MAY d.o.o. Tešanj	catalogue B5, 12 pages

All companies were visited at least three times in order to prepare text, photos and to approve draft version of catalogues/files/leaflets with companies representative.

Professional lecturer and translator were engaged to prepare text. (Printed promotional material is on local and English language.)

Graphic design of printed material was completed. All designed material was presented to the companies in order to be approved. Printed promotional material is unique, designed in accordance to the products and production process, as well as to the company requirements. USAID logo is displayed on each catalogue.

Tender procedure, in order to select the company that would print all material, was completed in August 2007. Eight printing companies were asked to offer printing of catalogues, but only four companies submitted the offer. On the basis of offers received, Selection Committee selected company «Labirint» d.o.o. Zenica. Mentioned company offered the largest number of copies for fixed amount of money (900,00 KM per company). As per contract obligations, information on the offers collected, was sent to USAID CCA to be approved.

Printing was completed in September 2007. Promotional material (catalogues, files, leaflets) are printed on good quality paper, with a professional reproduction of photos. Copy of the invoice for printing service is attached to this Report.

(See Annex A)

Number of copies per beneficiary is in accordance with the number of pages and type of each catalogue/file/leaflet.

1. ROSE-WOOD d.o.o. Gornji Vakuf/Uskoplje	410 sets
2. DELIBAŠIĆ POLIURETANI d.o.o. Kakanj	410 sets
3. BARBARA d.o.o. Žepče	2.010 pcs
4. DIVAN d.o.o. Vitez	510 sets
5. EUROIMPEX-AN d.o.o. Zavidovići	510 sets
6. GRAND d.o.o. Busovača	510 sets

7. ZEDEX d.o.o. Zenica	510 sets
8. KRIN d.d. Zenica	510 sets
9. BAJAS d.o.o. Tešanj	810 pcs
10. MAY d.o.o. Tešanj	1.210 pcs

Distribution of printed promotional material to the beneficiaries was completed in the first week of October 2007. Digital versions of catalogues (CDs) were distributed to the beneficiaries, as well, and the companies will be able to update and/or reprint of catalogues, if necessary.

Beneficiaries will use catalogues for promotion of their business on fairs, through business associations and in direct contacts with potential business partners.

60 pcs of each catalogue/file/leaflet REZ Agency kept for itself for the purpose of delivery to the donor (USAID) and for promotion of beneficiaries through REZ own channels: visits of foreign delegations and agencies, participation on fairs, business associations, press conferences, Management Board meetings and similar. 10 copies of each of printed catalogue are submitted to this Report.

5. Establishing linkages with potential partners

Marketing Officer and Business Advisor maintained research abroad in order to find possible partners for Project beneficiaries. They used commercial and non-commercial sources of information in order to establish business linkages with potential foreign partners based on beneficiary's needs. The main source was Internet research. Existing MS-Access database was used for this purpose. The database manages an interface between two business profiles, one from the foreign companies compared with export profiles had been established earlier for Project beneficiaries. Part of the database designed for matchmaking facility contains the key words assigned to the products of each Project beneficiary. The key words are used for the Internet research, retrieving the sites of the foreign companies having similar product assortment or registered business to the domestic one.

Export profiles of all beneficiaries, together with Proposal for Business Cooperation, were sent to the possible foreign partners (companies, embassies, Euro Info Correspondence Centers, trade agencies and similar organizations). There are more than 300 initial contacts on behalf of the beneficiaries established till the end of the Project. The list of initial contacts is attached to this Report. **(See Annex B)** Due to the fact establishing of business relations is very demanded and long-term process and duration of this Project is 4,5 months (15th May – 30th September 2007), it is expected that this activity will give concrete results in the near future.

One of the strategic objectives of REZ Agency is support of SMEs in Central BiH Region. In accordance to the above mentioned, REZ will continue to promote beneficiaries of this Project and to provide them all relevant information about business opportunities, such as fairs, business to business meetings and similar.

Web and printed promotional material, prepared within the Project, improved export related image of the beneficiaries and will help them to establish contacts with foreign partners.

Promotion of the Project

Promotion activities were executed in two directions:

- promotion of domestic companies export potential and individual client needs through designing and preparation of printed and digital material (catalogues, maps, leaflets and web pages)
- promotion of Project activities itself, through press conferences, press releases and by printing promotional material (leaflet)

Promotion of the Project was continuous activity. In order to promote the Project , 500 pcs of leaflets were prepared and printed. Promotional material contains enough information about the Project and it's activities. A sample of the leaflet was attached to the Activity Report No. 02 - Annex B.

Promotional material was distributed to the Business Associations and Municipal Departments for Economical Development in Cental BiH Region. Also, each opportunity was used in order to raise public awareness on the Project and export capacity of wood processing companies in the Region.

On 13th July 2007 REZ organized Press Conference and informed media about the results achieved in the first 6 months of the year and presented new projects, such as project «Promotion and Export Support for Wood Processing and Forestry Cluster Companies in the Region Central BiH» (COMETS II).The information was announced in a few media.

(See Activity Report No. 02 - Annex C)

Public awareness on export potential of wood processing companies was raised.

Prepared by:

Marela Zdenac
Project Manager