



**David Cvahte, new MD for
HL Display Slovenia**

Galloping towards new successes



IMAGES FROM THE EMBASSY OF SLOVENIA.

Slovenia is one of Europe's smallest countries. The country was part of Yugoslavia for 70 years, but regained its independence in 1991. HL Display has operated a sales company in Slovenia since 2002.

Slovenia is situated in southern Europe by the Adriatic Sea and the Alps. Most of the country consists of mountains and valleys with many rivers; two thirds of the terrain is forested, and only a couple of percent comprises arable land.

Slovenia's magnificent scenery makes it an attractive tourist destination. Its main attractions include long beaches on the Mediterranean coast, great locations for hiking and skiing in the Alps, the capital city Ljubljana, and its beautiful horses. Not many people know that the most famous horses in the world come from Slovenia, but virtually everyone recognises their name, Lipizzaner. In 1580 Archduke Charles II founded a stud farm in the city of Lipica. Here the local Karst horse was crossed with Spanish horses from Andalusia and Arab thoroughbreds. This resulted in the beautiful, perfect white dressage horse that was delivered to the Spanish riding

school in Vienna, the Lipizzaner horse. Horse breeding is still carried out in the region.

For a long time Slovenia was part of the great power of Austria and Hungary. In 1918 a new multinational state was created together with Serbia and Croatia – a union that was later named Yugoslavia.

High level of prosperity

Slovenia was by far the wealthiest republic in the former Yugoslavia. This probably facilitated Slovenia's transition to independence in 1991, which was relatively unproblematic.

The goal of Slovenian foreign policy was to become an integrated part of Western Europe right from day one of the country's independence. Slovenians also aimed for membership in the EU and NATO as soon as they gained independence. Economic development has been rapid, and the country has gradually increased its trade with EU member states

– especially Germany, Austria and Italy.

In the spring of 2004 Slovenia joined both the EU and NATO, and in 2007 it will introduce the euro.

Participation boosts motivation

HL Display set up a sales company in the Slovenian capital Ljubljana in 2002. David Cvahte has just been appointed managing director (one hour before this interview) of HL Display Slovenia. He started working for the company in 2003 when the office employed just two people. The company has expanded and now has five employees.

"The main reason for our fast success is that we have a fantastically good team, in which everyone participates in the development of the company. We feel that we are the ones propelling the market onwards, and if clients want to be at the forefront of development, they should contact HL Display. This

approach creates self-confidence and motivation in all employees, which in turn leads to everyone constantly trying to do that little extra that's needed to secure new clients.

Success generates more success, and the self-confidence that flourishes in our employees in Slovenia has helped them become more active in their contacts with clients.

We're not sitting waiting for new clients to come to us: we're out there trying to break new ground."

Three dragons

The Slovenian market with its two million inhabitants is one of the smallest in Europe. The market is largely controlled by three strong groups that together represent more than 80 percent. The largest player is Mercator with 44 per cent. Second place is held by the Austrian chain Spar that has rapidly grown to account for a market share of 18 per cent, and the national chain TUS, which also has an 18 per cent market share.

The Austrian group Spar, which is our largest client, is the fastest growing chain in Slovenia. Spar currently has 51 stores, seven of which are hypermarkets. The chain's growth is predominately organic, whilst its competitor Mercator is trying to buy market share.

The Slovenian market is small, as is the proportion of international players. Besides Spar, the French supermarket chain Leclerc has established

a hypermarket here. Apart from these stores, Slovenia does not have a large number of hypermarkets, but a change is underway. The specialist retail trade already includes several international players such as the Spanish chain Zara, Swedish H&M and Italian Benetton. The Austrian chain Baumax set up shop in Slovenia in 1997 and currently has seven stores in the country. Bauhaus, the German chain, opened its first Slovenian store in the capital in 2004.

HL's largest clients include both Spar and TUS as well as several local and international brand suppliers such as Master Foods, Wrigley and Colgate Palmolive to name but a few.

Our largest competitor by far is Meto, which carries a range that is similar to ours. Meto has a history of success in the groceries market and supplies products to Mercator, Slovenia's largest chain of supermarkets.

There are also a number of local players who compete in certain areas.

New opportunities

In the past year HL Display Slovenia's successes have included supplying Master Foods with 550 Optistand™ units for chocolate. They were ordered for a campaign spanning all markets in the former Yugoslavia.

We also got an order from Spar for 80 Optistand™

units to be used in Health & Beauty, so at the moment our work is very broad.

HL Display Slovenia had a fantastic year in 2004 as their sales rocketed 75 per cent. David says that he is slightly more cautious in his forecast for the coming year.

"One explanation for the high percentage last year is that the sales increase started from a relatively low level. We will naturally do our utmost and utilise our good references to clinch new deals. We also have the advantage of closeness to clients due to the small geographical market. The majority of our clients are in and around Ljubljana," David explains.

Although David is cautious, the budgeted growth is 50 per cent for 2005.

"We have very good opportunities for growth with several brand suppliers, as well as with numerous national chains – both supermarkets and the specialist retail sector."

TEXT: PATRIK ANSHELM

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Population: 2.0 million
Area: 20,273 square kilometres
Capital: Ljubljana, 276,000 inhabitants
Language: Slovenian
Religion: Catholic
Ethnic origin: Slovenians 93%, Croatians 1%, Others 6%
President: Janez Drnovsek
GNP growth: 2.3%
GNP per capita: About 17,000 euro/year
Currency: tolar, 1 euro = 226 Slovenian tolar

The personnel in HL Display Slovenia from left: Mateja Grum, Marko Vodiskar, Manca Hribar och Tadej Zibert.

