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CROATIA

CASE STUDY

New Management for Faster Growth

Newly hired managers leave entrepreneur free to start another company



Workers install rubber molding at a Gumiimpex's factory in Varaždin, Croatia.

A USAID technical assistance effort helps a family-owned company professionalize its management structure, leaving the owner and CEO free to devote his energy to strategic growth.

Telling Our Story
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Challenge

Small family-owned businesses face a tough challenge once their company grows beyond a certain size. This is especially true when a founding owner plays multiple roles, like chief executive officer, chief financial officer, chief operation officer, and production manager. A change in management structure is usually necessary for the company to continue growing. In 2005, Rudolf Kirić, owner and CEO of the Gummimpex rubber company in northern Croatia, reached a critical point. He wanted to expand his business beyond traditional rubber molding and retreading of Goodyear tires and venture into a new area — rubber waste processing. But he knew it was not feasible to run both his main company and a rubber waste start-up without structural changes.

Initiative

Kirić requested assistance from USAID and its partners to connect him with a consultant who would analyze company activities such as sales, logistics, marketing, communication flows, and strategic and operational management. The consultant's main task was to implement business operations that would meet international quality management standards known as ISO 9001 and 14001. In addition, Gummimpex learned how to take advantage of various government incentives for introducing quality standards and new environmentally-friendly technology and processes aimed at improving Croatia's industrial sector.

Results

USAID's technical assistance enabled Gumiimpex to expand its business operations and professionalize its management force. Thanks in part to this effort, Gumiimpex has created a competent middle management team that can make decisions and move the company forward without Kirić's day-to-day involvement. With his main company running well, Kirić was able to devote time and investments to his start-up rubber waste processing company, GRP Ltd. He invested about \$6 million in new equipment and machinery, and the company will create 130 new jobs in the Varaždin Free Zone, a fast-growing, bustling business zone in northern Croatia.

Photo: Gumiimpex