

## GREECE

# Implementing Local Development Strategies

### Location

Drimos, Thessaloniki

### Programming period

2007 - 2013

### Axis / Priority

Axis 4 – LEADER

### Funding (EUR)

Total budget 340 946

EAFRD 161 949

National/Regional 8 524

Private 170 473

### Project duration

2012 – 2015

### Project promoter

Iordanis Papadopoulos

### Contact

[info@ygieia.com](mailto:info@ygieia.com)

tel. +30 6977 568 924

### Website

[ygieia.com/](http://ygieia.com/)

A dairy company used EAFRD to finance its investment on the production of probiotic fermented products of top quality and high nutritional value (kefir).

## Summary

Funding from LEADER+ allowed Iordanis Papadopoulos to establish a model unit for dairy products in 2006. The unit soon became operational and started to produce kefir. Kefir is a bioenergy traditional drink, produced from Greek cow milk by adding beneficial fresh grains. This enables the product to be distinguished from all the dairy products available in the market.



In 2011, funding from the Local programme “LEADER APPROACH - Axis 4, for Thessaloniki”, helped the business move forward a step. The business was modernised and commenced production of a new product (kefir yogurt) increasing its competitiveness, cutting its cost of production and upgrading the quality of its products.

## Results

A new quality product (kefir) of high nutritive value is being produced.

The turnover of the company has been increased by 20% in 2014 compared to the previous year.

The company has been growing and steadily at a growth rate of 15% annually.

The sales of the company will soon be expanded to other European Markets.

## Lessons & Recommendations

Key factors of successes included:

- ❑ a well-structured business plan drafted by the project promoter reflecting the needs of the business and the risks that could be undertaken given the country's economic situation;
- ❑ the motivation and the personal involvement of the project promoter in the implementation of the project with no significant support from external consultants.

### Context

Initial funding from LEADER+ enabled entrepreneur Iordanis Papadopoulos to turn an idea into reality and establish a business that would produce innovative products in a market that continuously increases the barriers for SMEs to enter.

For a business to survive, it has to increase continuously the competitiveness of its products and to grow in sales and new product development. If the cost of increasing competitiveness is not combined with development, there is a major risk that while the assets of the company will grow, the losses of the company may also grow, losses that may be irrecoverable given the present economic situation in Greece.

### Objectives

The project aimed to allow a business to increase the competitiveness of its products and to be further developed with the sales and product growth. The business was further strengthened by being modernised and expanded, cutting production costs, increasing productivity and upgrading products and developing new products. The project also aimed to maintain two existing jobs and to create two new roles.

### Activities

The project started in January 2012 and it was completed in June 2015.

The project was comprised of the following activities:

- compilation of a thorough business plan by the project promoter;
- construction of new buildings (i.e. the construction of a warehouse of 56.26m<sup>2</sup> for the storage of packaging materials, the construction of a building of 61.71m<sup>2</sup> for the primary production (milk) intake and for the storage of returned plastic bottles for recycling);
- modernisation/renovation of existing production areas (the construction of ramps in the area where the primary product intake area and in the prepared production area, the upgrading of the entrance hall to the building through the installation of a disabled access ramp and the renovation of the surrounding area);
- implementation of infrastructure works;
- purchase of mechanical and other equipment;

- conduct of studies on production and infrastructure;
- acquisition of quality certification mark ISO 9001 and the registration of a trademark.



### Main results

The purchase of the new equipment allowed the business to reduce its costs of production and achieve a significant increase in productivity as well as a significant upgrade of its products. The modernisation of the business also made possible the production of a new product, strengthened the position of the business in the probiotics market and reinforced its sustainability.

The investment achieved all the anticipated results:

- A new quality product (ginger kefir) of high nutritive value is being produced.
- The turnover of the company has been increased by 20% in 2014 compared to the previous year.
- The company has been growing and steadily at a growth rate of 15% annually.
- The sales of the company will soon be expanded to other European Markets.

### Key Lessons

The Key factors of successes were:

- a well-structured business plan drafted by the project promoter himself reflecting the needs of the business and the risks that could be undertaken given the country's economic situation;
- the motivation and the personal involvement of the project promoter in the implementation of the project with no significant support from external consultants.

The project promoter was pleasantly surprised at the support that he received from the LAG. The fact that an organisation believed in his idea and supported him till the end was seen as exceptional in his experience.