

## POLAND

### Local development

#### Location

Włodawa

#### Programming period

2014 – 2020

#### Priority

P6 – Social inclusion & local  
development

#### Measure

M19 – LEADER/CLLD

#### Funding (EUR)

Total budget 22 500

EAFRD 12 726

National/Regional 7 274

Private 2 500

#### Project duration

2018 – 2018

#### Project promoter

F.P.H.U. Drewno Opałowe

Rafał Werner

#### Contact

[rafal.wernerpl@gmail.com](mailto:rafal.wernerpl@gmail.com)

#### Website

[www.drewno-  
opalowe.wex.pl](http://www.drewno-opalowe.wex.pl)

A young unemployed resident of a poor rural area used support from the LEADER measure to create a business that provides a renewable energy source (firewood).

### Summary

Unemployment among young people is a major problem in rural areas. In this case, a young entrepreneur decided to create a job for himself and set up a business that would use local resources to produce dried, cut and prepared firewood as a ready-to-use product.



With support from the Local Action Group (LAG) and the regional authorities, the beneficiary Rafał Werner received a grant to start his firewood business and acquire the necessary machinery.

### Results

One job was created in a rural area for a young unemployed person.

This renewable energy fuel source contributes to the reduction of atmospheric pollution.

Raw materials are acquired from local sources and the product is supplied to local customers, reducing transportation needs and emissions.

Customers include elderly people living within a radius of 30 km (as estimated in planning the business), but also young people whose professional lives make it difficult for them to prepare their own firewood.

### Lessons & Recommendations

- ❑ The principal challenge in developing a successful business is to ensure a stable base of satisfied customers and to adapt the services and products based on their feedback.
- ❑ It was not only the financial aid from the LAG that was key to the business' success, but also the support provided in negotiating the formal aspects of starting the business. The fact that the support was provided as a grant and not as a loan was also influential in making the decision to start a business.
- ❑ The project is based on good cooperation between the LAG, the regional authorities and the inhabitants of the LAG area.

## Context

Finishing school without technical qualifications makes it very difficult for young people to enter the job market and start a career. This is particularly true in rural areas since there are few job opportunities compared to urban centres where there are several large employers. One way out of this situation is to start one's own business, but that is very difficult without start-up capital.

This was the case of Rafał Werner from Włodawa, a small town in eastern Poland located close to the borders with Belarus and Ukraine. As Rafał was determined to create a job for himself and not be forced to migrate to a big city, he decided to set up his own business producing dried, cut and prepared firewood as a ready-to-use product.

## Objectives

The objective of this project was to create employment for the applicant who used the tools and support provided by both the LAG and the regional authorities not just to setup and realise his business plan, but to fully understand the necessary steps to start his business and also the potential risks involved with his endeavour.

## Activities

The project involved the following steps:

### Step 1 – Preparation

- Initial information meeting about receiving financial support for start-up businesses by the Local Action Group Stowarzyszenie Poleska Dolina Bugu (September 2016).
- Market research on potential clients and review of the types and cost of basic equipment necessary for the business (October – December 2016).
- Preparation of the necessary documentation (including a business plan) and verification of the machinery needs and potential suppliers of raw materials (January – February 2017).
- Submission of the application to the LAG (February 2017).
- Selection of the application by the LAG and review of the financing request by the regional authorities in Lublin (March 2017).
- Signature of the grant contract by the regional authorities in Lublin (October 2017).

### Step 2 – Establishing the business

- Establishment of Rafał Werner Firewood Trading (December 2017).
- Submission of the request for payment of the first tranche of support totalling EUR 15 000 (December 2017).
- Receipt of the first payment and acquisition of machinery necessary for the business: a firewood processor, a feeding table, a bandsaw and other saws (December 2017 – January 2018).
- Submission of the request for payment of the second tranche of support totalling EUR 4 000 (January 2018).
- Receipt of the second tranche of funding and finalisation of the investment element of the project (February 2018).



### Step 3 – Launching the business

- Acquisition with own funds of the raw wood to be processed and sold as firewood during the 2018/2019 heating season (February 2018).
- Creation of advertising material and use of social media to promote the services and goods of the new business (February 2018).
- First sales and increase in production (March 2018).
- Survey on client satisfaction and adjustments to the processing methods (July 2018).
- Acquisition of more raw material using the revenue from earlier sales – maintenance of cash flow (September 2018).
- Increase of the customer base and securing existing clients.

The business plan foresees review of the possible uses for the wood chips and other wood waste resulting from the firewood production and potential launch of additional services and products (stakes, boards etc.). Work is underway to fulfil the contractual requirements of the grant to reach at least 30 % of the sales revenue set out in the business plan.

## Main Results

One place of employment in a rural area was created for a young unemployed person.

This renewable energy fuel source contributes to the reduction of CO<sub>2</sub> emissions by replacing fossil fuels.

Raw materials are purchased from local sources and the finished product is supplied to local customers, thereby minimising transportation needs and avoiding emissions.

The business plan's estimations and expectations seem to have been correct and the equipment requirements are in line with plans.

Customers include elderly people living within a radius of 30 km (as anticipated in planning the business), but also young people whose professional lives make it difficult for them to prepare their own firewood.

The demand for the business' products is considerable, possibly due to the rarity of similar businesses in the area.

## Key lessons

The principal challenge in developing a successful business is to ensure a stable base of satisfied customers and to adapt the services and products based on their feedback.

The financial aid from the LAG was key, but also the support provided in negotiating the formal aspects of starting the business was crucial. The fact that the support was provided as a grant and not as a loan was also important in influencing the project holder's decision to start a business.

The project is based on good cooperation between the LAG, the regional authorities and inhabitants of the LAG area.

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### Additional sources of information

[www.facebook.com/drewnowerner/](https://www.facebook.com/drewnowerner/)