

HUNGARY

Implementing local development strategies

Location

Szentmártonkáta

Programming period

2007-2013

Axis / Priority

Axis 4 – LEADER

Measure

M411 - Competitiveness

Funding (EUR)

Total budget 217 000

EAFRD 27 500

National/region 22 500

Other 167 000

Project duration

JUN 2013 – AUG 2015

Project promoter

Hungary-Holz Ltd.

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A Hungarian woodworking business used LEADER support for the construction of a new environmentally friendly manufactory hall.

Summary

The woodworking business Hungary - Holz Ltd. produces high quality interior and exterior doors, windows and conservatories. In order to cope with the increasing demand the company needed a more spacious production hall. The new hall should also meet the high environmental standards of the company.



The company asked support from the LAG "HAJT-A Csatart and with the LEADER financial support a new manufactory hall was constructed. The hall was equipped with a wood gasification boiler with high efficiency. The boiler not only provides heating in the new hall but it also uses the wood waste produced during the door manufacturing process to produce renewable energy. As part of the activities workers also received training and the combination of a more suitable production area and the improved human resources resulted to significantly increased efficiency.

Results

The appropriate production hall provides a more efficient production.

The effective arrangement of the new machinery in the spacious new hall, has drastically improved the production process resulting to better traceability.

Customers and clients can visit the production area and see the whole manufacturing process making them more confident about the quality of the products.

The company employed 4 more workers thus today has 20 employees.

Thanks to this investment the income of the company increased by 20%.

Lessons & Recommendations

Good cooperation between the company and the LAG was a crucial success factor. The implementation would not have been smooth without the help and professional support of the LAG. Overall, the human factor is crucial.

It was also very important to find an appropriate and reliable executive contractor.

In such construction projects the weather can be an unexpected difficulty. Heavy hail during the construction left marks on the light structural building. Unexpected weather conditions should be always kept in mind.

Context

The Holz-Hungary Ltd. was founded in 1997 and is located in the Central Hungary region, in Szentmártonkáta. Its main activity is the production of Holz THERM® type interior and exterior doors, windows and conservatories. In addition, they produce fire-retardant, steel, soundproof and radiation protected doors and windows. The doors are made of Class I, error-free wood, according to the material it can be scots pine, spruce, larch, oak or meranti. Since 2003 the company has ISO 9001 qualification; thereby the manufacturing process is audited every year.

Initially the company manufactured wood windows and doors, but due to the market demands they started the production of aluminum-wood windows and doors, as well as "mammoth" size systems. For the mounting and packaging of the new products the company had not enough space, not even in case of the reconstruction of the old production hall, moreover there was a growing demand for big-size systems, thus the manufacturing hall area had to be increased.

Objectives

The main objective of the company was to maintain its competitiveness. The management of the company is environmentally conscious thinking and supporter of long-term effective solutions. In order to meet market demands in the highest quality and to improve its efficiency the company decided to build a new production hall that would be environmentally friendly and organize trainings of their employees as well. In order to achieve these goals the company applied for LEADER support.

At the same time due to the unfavourable social and economic situation in the region, one of the main priority of the "AJT-A Csatat" Association's Local Development Strategy is to increase the competitiveness of the local economy and support businesses. Moreover the LAG prefers projects with environmentally responsible technologies and with job creation effect.

Activities

The construction of the production hall started in November 2013. After having developed a precise vision and the financial framework were finalized an executive contractor with stable financial background, with skilled workers and with appropriate references had to be found. As much as the winter weather and the technology allowed, the construction was continuous thus the production hall was completed in August 2014 and the

work could start in the new plant.

A main component of the project was installing a wood gasification boiler with high efficiency. The boiler not only provides heating in the new hall but it also uses the wood waste produced during the door manufacturing process to produce renewable energy.

Because of the implemented development the orders were increased and the company needed new machines as well as workers nevertheless the machines were not part of the LEADER project. The Ltd. have had the opportunity to employ further 4 people from the region.

Main Results

- The new production hall made production much more efficient. The waste (e.g. broken glass) due to lack of space previously, could be reduced to almost zero;
- The new machinery is arranged much more efficiently in the spacious new hall, and as a result the production process from raw material to finished product has better traceability.
- Customers and clients can have an insight into the door and window manufacturing process that makes them more confident to the final product.
- Due to the growth in the production the company could employ 4 more workers thus today has 20 employees.
- By increasing the production capacity and investing on human resources the company is able to can fulfil more orders and recorded a 20% income increase.

Key Lessons

The company had no experience in LEADER. The good cooperation in between the company and the LAG greatly contributed to the success of the project. The implementation would not have been so smooth without the help and professional support of the LAG. Thanks to the good relationship developed during the project implementation, the management (Ernő Hajnal és Attila Hajnal) of the company is always up to share their experience with other potential beneficiaries. Overall, the human factor is crucial.

It was also very important to find an appropriate and reliable executive contractor.

As an unexpected difficulty the weather could be mentioned. During the construction there was a heavy hail, which left marks on the light structural building. The weather circumstances should always be kept in mind.