

Sweet love requires ability to make money



General Director Natalia Kot

This year has been a serious test for many enterprises, yet some manufacturers have coped well, enjoying steady orders and production volumes without resorting to state support. Competitiveness is key.

By Vladimir Velyaminov

Business with a human face

Minsk Kommunarika employees' salary is double the average countrywide. General Director Natalia Kot asserts that it definitely influences the mood of factory workers and, accordingly, their general success. "I see their faces every day and can guess their mood. When they're smiling, then everything is fine. Business will go well," she says. No doubt, workers' state of mind is the best barometer.

Besides earning worthy salaries, the 1,650 staff at the factory enjoy an attractive social package. In summer, many spent holidays in Czech Karlovy Vary, or sent their children to Greece. This socially oriented policy enables Kommunarika to retain personnel; in fact, job applications are rising. The best students from various Minsk universities view Kommunarika as a prestigious company, and are keen to gain placement there after graduation. As Ms. Kot admits, talented young specialists are welcome, being offered a good allowance initially and worthy salaries if they work efficiently.

"We don't wait until a former student has worked for a certain period of time. There's no need. If they're capable and do their job well, with good results, then why shouldn't we pay them good salaries early on?" explains Ms. Kot. Moreover, the company is unafraid of employing young specialists in top management positions. "People don't become leaders — they are born," jokes the General Director. "An educated person with good managerial skills has no need to wait in our company until they are 30 or 40 years old to become a top manager."

Speaking of staff bonuses, Ms. Kot stresses that these are paid from Kommunarika's own profits, as the company does not ask for state aid or use budgetary money. "Our personnel understand that

it's only possible to ensure good salaries and a social package if they work efficiently," she adds.

beans, peanuts, hazelnuts and other nuts, vanilla and other flavourings. Moreover, cardboard for packaging

Kot, talks with French retail networks are now underway. The EU is definitely showing interest in Be-

— profits, good salaries and social allowances — are exclusively the obligation of the employer. It's unwise to rely on state support or budgetary money. Independence is vital," notes Ms. Kot, speaking of the major factors of promotion. As regards business expectations from the state, she points to free currency conversion. Pleasingly, the opportunity is now available.

Another wish is to cut paperwork. In this respect, Ms. Kot recalls her business trip to Sweden, "On arriving at one factory, we saw people in blue uniforms, wearing caps, who welcomed us. Initially, we thought that they were guards but, several minutes later, they entered the negotiation room. It turned out that they were the heads of the company: the chief engineer, the deputy director for production and the chief technologist. They could hardly be recognised among the other employees. They don't just sit in their offices. They spend eight hours alongside their staff, working on the production lines. The state disturbs them only once a year, when the tax inspector comes."

Speaking of lessons to be learned from the crisis, Ms. Kot notes, "The state's policy of attracting foreign investments is correct — as proven by our own experience." Kommunarika has been aided by a strategic investor this year, who allocated \$3m to buy a new line. In addition, a commodity credit was ensured for raw material delivery.

The investor continues injecting into the company's further development, while highlighting global trends. Local staff are being given foreign internships and training. Moreover, the investor has assisted in establishing the company's own distribution network on the Russian market — Belkonditer, in addition to finding a New York distributor — Desly International Corp. Much owing to these financial and intellectual injections, Kommunarika is estimated to be worth \$30m, making it a valuable asset, despite the crisis.



ALEXANDER RUZHECHKA

Kommunarika successfully expanding its retail network countrywide

Factors of success

Kommunarika's stable and profitable work is the result of huge efforts to improve and promote its goods, as Ms. Kot explains. This includes 'the expansion and improvement of our range, new equipment and packaging, and an active marketing strategy and sales'. All products are sold quickly in retail outlets while exports have gained enhanced attractiveness after the devaluation. During the tough summer months, foreign sales helped earn currency which the company was unable to buy on the stock exchange.

Kommunarika needs foreign currency to pay for its imported raw materials: 70 percent of the prime cost derives from cocoa

is also currently imported; it is an area in which import substitution is topical. In addition, 7m Euros are needed to pay for loans which have purchased new equipment. These new lines have allowed the night shift to end, while enhancing the overall efficiency of work.

Russia remains the major export market for Kommunarika, although the enterprise is steadily promoting its produce to other states. The Customs Union has opened good prospects in Kazakhstan and, not long ago, the factory began exporting to Mongolia, with sales to Azerbaijan also established. As for Europe, Kommunarika is already represented in the Baltic States and Germany and, according to Ms.

larusian produce.

The more sweets and chocolate sold abroad, the more foreign currency the factory accumulates. However, Kommunarika has no plans to fully shift to foreign markets. "At present, the Belarusian market accounts for 80 percent of our sales, with huge demand domestically. We should not forget our own buyers," emphasises Ms. Kot.

Lessons of crisis

Kommunarika managers have a market approach to their work, which is the major secret of their success. "The state should create favourable conditions for companies to work. Other aspects

New route for tourists

By Yulia Kharevskaya

Museum of Boulders included on circular tour of Minsk

The museum in Uruchie suburb is truly unique, as the Chairman of the Belarusian Association of Guides and Translators, Nikolay Chirsky, explains. He believes that its inclusion in the circular tour of the capital will make the site even more popular among foreign tourists. At present schoolchildren and students are the major visitors.

Minsk boasts several excursion routes, so it's a true challenge to invent something new. "Everything has long ago been developed — 'Minsk — the Capital of Belarus', 'Theatrical Minsk' and 'Sporting Minsk', as well as the 'Road to the Church' excursion which explores Minsk's Catholic and Orthodox churches."

Mr. Chirsky notes that training guides is now crucial, since demand for their services has grown hugely over the past six months.



Museum of Boulders ready to welcome tourists