



**Stories of 5 small businesses in Croatia that benefited from small loans and microloans co-financed with European Structural and Investment Funds (ESIF) and managed by the Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO)**

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### **A View into the Blue: Building project momentum through an ESIF loan**

A project called *A View into the Blue* was presented at the opening ceremony of the Boat Show at the Zagreb Fair. The Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO) supported the project by approving an ESIF small loan in the amount of EUR 50,000 for project modernization, i.e. for the purchase of a portable pool (10 m in diameter, 1 m deep), diving gear, a pool automation system, and the related technical equipment. Project funds have also been used to hire a project manager.

HAMAG-BICRO has recognized the authenticity of the *A View into the Blue* project in that it represents a unique approach to promoting Croatia as a tourist and diving destination. A special feature of this year's event is a campaign called *I'm not Breathing*. As part of the campaign, Budimir Šobat Buda, a diver from the Zagreb Underwater Sports Club, will take a dive on February 24, 2018, starting at 11 a.m., in pavilion 7a, into a pool installed for the purposes of the *A View into the Blue* project, hold his breath and try not to breath for more than 24:03 minutes. He will do this for all the children who bravely cope with the challenges of autism, and sometimes even the insensibility of the community, on a daily basis. HAMAG-BICRO supports the project's humanitarian component – raising public awareness and making the public more sensible of the needs of the children and adults living with autism.

Mario Turalija, Member of the HAMAG-BICRO Board of Directors, also supported the project by saying: “The *A View into the Blue* project shows perfectly that ESIF loans represent a quick and effective source of funding that helps the recipients achieve their goals in a relatively short period of time. And all it takes is a well-defined business plan. Small and medium-sized enterprises can apply for micro loans in amounts up to EUR 25,000 or small loans in amounts up to EUR 50,000, with more than favorable terms of financing. We are looking forward to receiving their applications.”

Rene Cipovec, the man behind the project idea, said: “HAMAG-BICRO has helped build true momentum in the implementation of the *A View into the Blue* project. Other financial institutions have shown little interest in funding the special type of equipment required for the project. Thanks to HAMAG-BICRO, we plan to visit 15 towns this year.”

Under the project, the pool has been installed 43 times in different towns so far, and a summer tour along the Adriatic coast is planned for 2018. The pool is currently installed at the Zagreb Fair, where the visitors to the Boat Show will have an opportunity to try and feel the charms of diving with diving gear. In addition to learning the basics of diving, the interested visitors will also have a chance to take their first dive and view an underwater photo exhibition by Marjan Radović, a renowned Croatian underwater photographer.

*A View into the Blue* is the only Croatian project about the deep sea blue that has been entered in the Guinness Book of Records. It has been implemented since 2009 and, so far, more than 12,000 persons have enjoyed a free dive at various events organized under the project.

The event is organized under the auspices of the Croatian Ministry of Tourism.



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### **New cellars for even better wines and *šampeki***

The southern slopes of the Plešivica Mountain are ideal for cultivating vineyards that produce numerous quality wines. Many believe that grape vine cultivation in this area dates from the time before the new era, more precisely from the time of Thracians. The Kurtalj family has owned an estate in the village of Plešivica, situated on the mountain that bears the same name, for more than 300 years. Their house is a rare example of classical residential architecture built outside of urban settlements and, as such, has a historical and architectural value, and the tradition of aging wine in old oak barrels is still kept very much alive in the family cellars. In addition to the old stone cellars, grape-grower and winemaker Drago Kurtalj from Plešivica is also building new cellars, and has furnished and equipped a wine tasting area which can receive about 20 visitors. His goal is to modernize and expand his family estate business.

According to Kurtalj himself, his family has been engaged in grape-growing and winemaking from time immemorial and, thanks to an excellent terroir for cultivating grapes, the quality of wine improves with each year. Kurtalj owns 18 thousand grapevines, which he uses to produce Rheinriesling, Grashevina, Green Silvaner, Pinot Gris, Pinot Noir and Portuguese wines.

However, Kurtalj is perhaps best known for his champagnes or *šampeki*, as he calls them. He has been engaged in the production of champagne for the past ten or so years. He planted a special vineyard for this purpose where he cultivates the pinot noir and chardonnay varieties. In 2013, he produced his Cuvée Prestige, a champagne that had been sitting and aging on the lees in the cellar for 52 months before it was opened for the first time last year and put on the Croatian market.

Over the past fifteen years, Kurtalj has been restoring and technologically improving his vineyards. Last spring he received a small investment loan in the amount of slightly over HRK 370,000 from the Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO) as part of the ESIF program. He plans to invest these funds in the reconstruction and renovation of his cellars by November this year.

“With these funds we want to complete our business story. We are engaged in the production of wine and champagne, but our cellars, where the grape processing takes place, are not fully adequate for that purpose. We also plan to renovate an existing old farm estate building and turn it into an exemplary cellar,” said Drago Kurtalj, who believes that the funds received will also help support further production and strengthen his competitive position in the market since, in addition to wine production, he plans to develop and exploit the tourist potential of his estate and business as well.

“We will remove the structural barriers between the rooms in our production facility and expand the storage area, and thus enable the use of machines in product manipulation, which has not been the case so far. We will also replace the old, non-functional electrical fittings. The purpose of these interventions is to improve energy efficiency of the facility,” added Drago Kurtalj. He decided to apply for a loan from HAMAG-BICRO because it was more favorable than the loans offered by commercial



banks and because, as such, it encourages small enterprise owners to make new investments and new business plans.

There is no doubt that the wines and champagnes which will be produced on this estate in the future will thrill the wine lovers. But, as Kurtalj himself says, there is always more to learn. There are numerous possibilities for progress, and it is very likely that the new business impetus, received thanks to HAMAG-BICRO, will result in a new *šampek* from the Kurtalj winery, one of the [#first25](#).



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**From a hairdressing tool bag to a successful entrepreneur through a HAMAG-BICRO loan**

*From a hairdressing tool bag to a successful entrepreneur* is a story of the success of Katarina Nimac who received financial support in the amount of almost HRK 372,000 through the HAMAG-BICRO micro loan program intended for micro and small enterprises.

Katarina is the founder and director of CAPILLUS REGIUM j.d.o.o., which has been operating in a rented Zagreb hair salon since 2015. The company employs five workers. She gained professional hairdressing experience in prestigious hair salons working as Salon Manager. After she passed the master hairdresser exam, she earned the title of a Master Hairdresser and the associated rights. In addition to the standard hairdressing services, the salon also offers additional cosmetic treatments with the aim of providing a complete, quality care service to both women and men, thus also ensuring a comparative advantage.

“I found out about the HAMAG-BICRO loan program in November last year. As I learned more about it, I saw the advantages of the loans provided under the program. Otherwise, I would not have been brave enough to embark on this endeavor. Everything happened so fast. I found an adequate space, submitted a business plan in which I explained the main project idea, and it was fully accepted. The financing was approved, and the renovation works started from the foundations up. I still cannot believe it, but I know it’s real. I’m living my dream. I want to commend the HAMAG-BICRO team for carrying out a great amount of work so quickly, professionally and effectively. What’s left for me now is to work and live my dream,” said Nimac.

Since the implementation of ESIF financial instruments started (Oct. 2016 – May 2017), HAMAG-BICRO has approved 272 loan applications in the total amount of HRK 71.7 million. The average approved loan amount is HRK 263,000. The applicants mainly applied for an ESIF small loan, accounting for 63% of total applications received. Micro loans can be arranged with an interest rate of 1.5%, a repayment period of 60 months, which includes a 12 month grace period, and they are repaid in quarterly instalments.

“We are thrilled to hear the stories of ambitious young entrepreneurs who have successfully executed their projects thanks to our support. Considering the increasing demand for loans, this May we secured additional HRK 150 million for the development and placing of micro and small loans on the market through direct HAMAG-BICRO loans for entrepreneurs,” said Marijana Oreb, Member of the HAMAG-BICRO Board of Directors.

The entrepreneur used the received investment to relocate into a new, cheaper and larger commercial space at 5 Mesnička Street. The investment in the working capital was used to pay the six months’ worth of rent and employee costs, as well as to renovate, furnish and equip the new space under a new name - KETY. In the next five years, the entrepreneur plans to use the received investment to hire additional workers and ensure an increase in revenue of approx. 385%.



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**AMP, a company from Međimurje that has been operating successfully for 25 years – relocation into the commercial zone**

AMP d.o.o., a company from Brezje in the Međimurje County, specializes in the production of packaging material from 1-, 2- or 3-ply foils intended primarily for packing food products. Since 1992, when it was established, the company has been constantly developing. So far, it has developed programs for the production of packaging materials or bags for packing coffee and tea, pasta, frozen and vacuum sealed food products, fresh fruit and vegetables, and other non-food products.

After 25 years of operation in a facility located next to their family home, the owners decided to move their business into the commercial zone in the vicinity of the company's registered address. Therefore, they applied for a non-refundable grant for the construction of a new production/commercial facility and purchase of a new line for flexible packaging lamination. They also applied for an ESIF micro loan for working capital through the Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO) for the purpose of purchasing raw materials for the company's existing production activities. As a result, the company received a micro loan in the amount of HRK 187,500. Branko Klobučarić, owner and director of the company, was pleased to say: "We submitted an application for a micro loan to HAMAG-BICRO and in only two-three weeks it was approved and disbursed in full. We are extremely satisfied with the short time it took to get the job done."

The main reason for our decision to relocate into the commercial zone is the fact that our company and production have grown over the years. The conditions in which the company has been operating so far, in terms of space and logistics, represent a limiting factor for further development. The construction of a new facility will allow the introduction of a new production organization model, which will help increase productivity and effectiveness. In the first period, the company plans to hire two new employees, and in the following five-year period it will hire another three. Considering the specific nature of the company's activities, the new employees must be internally trained. "The time required to handle any request for financing entrepreneurial activities is of crucial importance, regardless of the outcome. We at HAMAG-BICRO try to keep up with the expectations of entrepreneurs, and are always extremely happy when we succeed in meeting them," said Vjeran Vrbanc, President of the HAMAG-BICRO Board of Directors.

The ESIF micro loan for working capital is an exceptionally favorable loan with the interest rate ranging from 1.5% to 3.5% and a 6 month grace period for repayment periods of more than 12 months. It can be arranged for amounts ranging from EUR 1,000.00 to EUR 25,000.00. The repayment period is up to three years, including the grace period. A promissory note will usually suffice as security, while other security instruments may be requested depending on the results of the risk assessment.

More information about ESIF micro investment loans, micro loans for working capital and small loans is available at: [hamagbicro.hr/financijski-instrumenti/esifzajmovi/](http://hamagbicro.hr/financijski-instrumenti/esifzajmovi/)



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**With the support in the amount of HRK 500,000, MARRA Cosmetics has expanded its line of beauty products**

“For me, being successful means to have passion and be completely devoted to one’s work. Even though positive steps may sometimes take time and be rather small, I believe that I’m successful as long as I’m moving towards my goal,” says Marija Butković, a make-up artist who has been active in the beauty industry for almost 20 years now, and still works tirelessly on improving her knowledge and skills.

She started her professional journey in Paris. During her career, she has cooperated with some of the leading fashion magazines and has also worked on numerous fashion shows, editorials and advertising campaigns. Thanks to the quality of her work and long-term clients, six years ago she decided to embark on an entrepreneurial journey by herself and opened her own studio in order to continue successfully developing her brand – Marra. Her clients are women of different ages, occupations and from different milieus. Butković believes that there is something about every woman that makes her different, original and beautiful. She uses make-up simply to accentuate their natural beauty and specific features.

“I gladly share my knowledge and longtime experience with the girls who wish to turn their passion for make-up into a life calling. I believe that individual education, which I provide, is the best way to learn about the world of make-up,” claims Butković, who has also opened the Marra Academy, which offers several carefully selected programs, for all those who wish to follow in her footsteps.

She continued working on her brand and created the Marra Cosmetics line of products. Her guiding idea was to create quality products suitable for a large number of women and lasting all day long. The entire line is made on the basis of natural ingredients, and all products have been tested one year before being put on the market. In order to develop a formula that is at the same time gentle, natural and effective, the line has been created in cooperation with top-notch technologists, pharmacists and dermatologists.

Considering that Marija Butković is known as one of the leading Croatian experts in semi-permanent eyebrow filling and that most clients return to her precisely for that reason, it is precisely the eyebrow growth serum that she would highlight from her line of products. “I wanted to develop a product that improves eyebrow density and quality. Serums of this kind are already present in the market, but they are extremely expensive. My goal was to create an equally good product which would be available at an acceptable price,” emphasizes Butković.

Investing in the development of business operations puts a significant financial strain on entrepreneurs. Responding to an Open Call for Proposals announced under the Innovation of the Newly-established SMEs – Phase I program, Marija Butković received a non-refundable grant in the amount of almost HRK 500,000, and she also received an ESIF micro loan in the amount of HRK 100,000. She used the funds to expand her offer of services. More precisely, she introduced the revolutionary Purebeau Fibroblast face-lifting procedure, which eliminates the need for surgical



intervention, and started using the Neodimium YAG laser to remove semi-permanent and permanent make-up and unwanted tattoos.

“I believe that the incentives for small and micro entrepreneurs, particularly female entrepreneurs, are extremely valuable. They help us turn our ideas into reality and, from my experience, I can definitely say that the investment has had a positive impact on my operations and total revenue,” concludes Butković.

