

Green Entrepreneurship

Successful business cases of Green Entrepreneurs in the Mediterranean



Regional Activity Centre
for Cleaner Production



Olivmont Doo: Production of soap from olive oil in Montenegro

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Name:	Olivmont Doo
City, country:	Bar, Montenegro
Name of entrepreneur/ founder:	Mirjana Babić

Description	Production of soap from olive oil. The entire production process is manual and that makes the product unique. The main ingredient is olive oil obtained from the cultivar “žutica” from olive trees in the vicinity of Bar. Production is done in a cold process during which the olive oil, as well as all the other ingredients, retain all the useful elements. Besides olive oil soaps contain palm oil, coconut oil, almond oil and castor oil.
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Investment	Initial investment of EUR 10,000. Partial funding was provided by a loan (EUR 8,000) and the remainder from own funds.
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Stakeholders	Souvenir shops of organic products, hotels and family members, as well as the founders.
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Employment generation	Currently one person is employed. Due to business expansion and future plans, hiring of two additional employees is planned.
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Timeline	<p>The idea was born in 2000 (ever since ancient times, olive oil is used for obtaining soap. Soap obtained in this way (cooking) loses healing properties. In the same year the owner started to think about the production of soap in a different manner, in order to preserve its healing properties. She managed to do that. From 2000 to 2009 market research and ideas test was carried out. In 2009 the owner participated in a competition with the project “Production of natural soap from olive oil” in Business Start-up centre in Bar. This project won the second place in competition received preferential conditions and benefits for business development (free opening of the company, affordable credit, affordable work space and technical assistance in perfecting the product). That same year it became a business incubator.</p> <p>In 2009 and 2010 the company took part in trade fairs (Business Base – Belgrade, Fair ZEPS, and Fair in Budva). In 2010 during the souvenir fair in Becici, the products have been declared the official souvenir of Montenegro. In 2010 the company took part in entrepreneurship participation at the fair in Brussels (Mirjana Babić received an award as one of the best women entrepreneurs in Montenegro). In 2011, the business is well organized and it makes progress.</p>
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Feasibility study	Knowledge of techniques of soaps’ production led the owner to the idea that she should make business. The market research was conducted and it gave the conclusion that production should be started, but with small amounts at the very beginning.
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Geo-social-economic setting	Not available.
Key features	Techniques knowledge of production of soaps led the owners to the idea to test them in that business. A market research was done and it led to the conclusion that the production had to start, but in the beginning with smaller amounts of soaps.
Overall rational and motivation	<ul style="list-style-type: none"> • Cold-pressed virgin olive oil from olives “žutica” from Bar. • All other oils are squeezed in extra cold conditions. They are made in a cold process so that all the ingredients could retain their qualities. • The natural glycerine remains in the soap. • They are produced by hand in wooden moulds. • They contain high quality essential oils. • Soaps are wrapped in natural materials. • Complete environment protection.
Strenghts	The goal is to create a unique product not only in Montenegro but also beyond that will be completely natural.
Challenges and constraints	The business is conducted with respect for all ecological requests. The production process is traditional. Products are natural, and therefore unique. However, the product is not completely an organic one. There is no olive oil producer in Montenegro that is certified for organic production while some essential oils that are used in soaps are certified organic products.
Direct activities and Impacts	Unfair competition due to insufficient control of production and sales of the product by the competent authorities. Payment problems hamper business. Barriers for exporting small quantities of products.
Use of innovative Technologies	Soaps are handmade and contain 70% of cold-squeezed olive oil. Other ingredients are natural base and essential oils. Soaps are made entirely by hand and in that way keep all the natural elements.
Evidence of a holistic approach/world view	The product was perfected and meets all standards. It has licenses and certificates.
Scale of benefits	The turnover in 2010 was EUR 7,000 while the turnover in 2011 was EUR 12,000.
Policies, incentives and regulations needed	Support from the BSC Bar through technical and advisory services.
Lessons and recomendations	There is a need for more attention entrepreneurship developing through simpler regulation and better access to finance.

References:

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