

# Green Entrepreneurship

## Successful business cases of Green Entrepreneurs in the Mediterranean



Regional Activity Centre  
for Cleaner Production



### Garmin Doo: Biodegradable bags production in Montenegro

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<b>Name:</b>	Garmin Doo
<b>City, country:</b>	Danilovgrad, Montenegro
<b>Name of entrepreneur/ founder:</b>	Dejan Brnović

**Description** Production of various types of biodegradable bags, mini recycling old bags of which they produce inputs for biodegradable bags, paper packaging, paper bags, thermo foil rolls in dungarees, boutique bags and garbage bags.

**Investment** In 2006 the company was founded. Production takes place in a rented space, and initial investments are secured by a loan. In 2008 the company invested in new building and modern equipment. Property and equipment are financed from loans and IRF Mne funds (the value of funds invested was around EUR 2,000,000).

**Stakeholders** Large retail chains, but also all those who use the bags for the packaging of its products to end customers. Also the NGOs sector who are committed to the proper treatment of all the bags.

**Employment generation** In the beginning the company employed 10 workers. By expanding markets the number of workers increased to 25. The company currently employs 46 workers, seven with university degrees, and the rest with a high school diploma.

**Timeline** Initially, the company was located in rented space in Danilovgrad and distributed its products to MEX trading chain stores.  
2007: they started expanding the market and began to cater to other retail chains operating in Montenegro.  
2008: the regulation of eco-packaging was adopted and the company adjusted its production to bio-degradable bags.  
2009: the company built its own facility in the municipality of Danilovgrad and purchased equipment for the production of environmental packaging.  
2010: the company began to deal with a mini recycling bags from which, further, started obtaining inputs for bio-degradable bags.

**Feasibility study** The idea of the bag production was created by the current owners realizing that in Montenegro did not exist an organized production of bags and that the market is fully covered by imports.

**Geo-social-economic setting** Not available.

<b>Key features</b>	<ul style="list-style-type: none"> <li>• The production is completely environmentally friendly and sustainable.</li> <li>• Products are in accordance with quality standards.</li> <li>• Bags degrade in one year, also used additives decompose bag within 90–20 days.</li> <li>• The company carries out business of recycling used bags.</li> <li>• All products are controlled and have a certificate of health and micro-bacterial correctness of the Institute of Public Health and the Center for Environmental Health.</li> </ul>
<b>Overall rational and motivation</b>	To create a recognizable brand and promote ecologically sustainable operations in Montenegro.
<b>Strenghts</b>	<ul style="list-style-type: none"> <li>• The business is conducted with respect to all environmental requirements.</li> <li>• They create a high quality and market-friendly products.</li> <li>• The production is unique in Montenegro.</li> </ul>
<b>Challenges and constraints</b>	<p>Unfair competition (poor control of production of these and similar bags, gray economy).</p> <p>Payment problems hamper business.</p> <p>It is very difficult to access the finances for micro and small enterprises in Montenegro.</p>
<b>Direct activities and Impacts</b>	<ul style="list-style-type: none"> <li>• The relationship with suppliers is good and there is mutual satisfaction.</li> <li>• The company operates and develops an ethical way of doing business with everyone.</li> <li>• The products are environmentally friendly, with bio-friendly additives.</li> <li>• Since its establishment until today, the company constantly increased circulation of money.</li> </ul>
<b>Use of innovative Technologies</b>	<p>For the production of biodegradable bags modern equipment is used. Machines that are used are highly productive and economical. Manufacture, agriculture is mostly automated.</p> <p>The main ingredient mixture used for the manufacture of bags is an additive that is added to the decomposition bags. Additives are procured from Canada by the company “EPI”, one of the leaders in the world in the production of additives for biodegradation.</p>
<b>Evidence of a holistic approach/world view</b>	The company has HACCP and ISO 9001 certificates.
<b>Scale of benefits</b>	<p>The turnover in 2010 was EUR 1,000,000.</p> <p>The turnover in 2011 was EUR 1,500,000.</p>
<b>Policies, incentives and regulations needed</b>	Support policies are reflected in specific incentives for the production of bio-degradable products by government and relevant institutions in the field of entrepreneurship development. The state could invest more in the promotion of micro and small businesses. It also should promote more domestic products and thus reduce the import.
<b>Lessons and recomendations</b>	The company faces a difficult charge. Credit institutions must increase and support micro, small and medium enterprises which have the potential for a healthy business.
<b>References:</b>	<p>Tel: +382 20 815 045</p> <p>e-mail: garmincg@t-com.me</p> <p>www.garmin.co.me</p>