



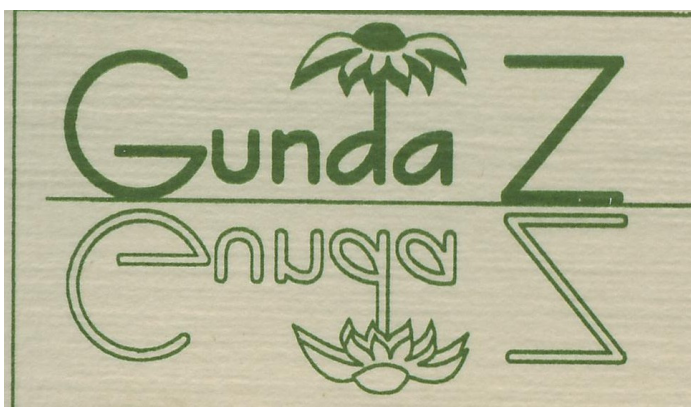
## **RePro Case**



### **„Gunda Z” Gardening Farm**

## INTRODUCTION

Farm "GUNDA-Z" was established in June 2002. Total area of farmland is 1,2 hectares. Basic activity – decorative gardening. The farm is located in Rogovka village of Nautreni parish (Rezekne district). Landowner is **Daina Zvejsalniece**. Team includes only family members which is also indicated in the name of the farm – it is formed of first letters of names **GUNars** (Daina's husband) and **DAina**.



### **“Person should do what she/ he likes”**

Daina Zvejsalniece when asked about her educational and professional background tells:

My occupation, which I had chosen in youth, was hairdresser. Actually I have 20 years or professional experience in this field. That was my individual business. But it was never enough for me and I all the time am looking for new opportunities. In 2000 I was one of the initiators and founders of non-governmental organization “Rieksava” (“Handful”) – a creative group for women from countryside who wants to learn, to develop, to support each other. I also teach in local school classes of handicrafts and floristic for schoolgirls. Person should be in movement all the time. And now I am a student on the way to pursue degree in economics and management sciences. In my case it has happened this way – practice first, then studies.

During last decade Daina has worked as an individual entrepreneur in several parishes – having 4 hairdressing saloons. Situation changed 5 years ago when increased requirements to service providers. It would require significant investments to improve hairdressing saloons' venues in accordance with various requirements set up by the State Environment and health office. Daina after serious consideration decided that adjustment to the new conditions would be costly and therefore unprofitable. The question rose: what to do?

**Daina** adds:

“At the same time our third little-one Katrina announced herself. For woman it means staying 2-3 years at home. Taking care about baby wouldn't confirm with running around the district and combing hair for clients around”

Daina considers that there is a simple answer to the question “What to do?” – if possible an individual should do what he/ she likes and can do the best! She admits that her addiction and hobby are flowers. It started when mom’s sister made a present for the 8<sup>th</sup> grade’s schoolgirl – a few tulip bulbs. That was time when Daina’s “big addiction” started. Since that time she collects, plants, makes bouquets. She had completed a course and have obtained a professional qualification of a florist. While expecting the baby she fully devoted herself to learning wisdom and secrets of gardening. The knowledge gained and charm of flowers had laid base for business idea – to set up a seed plot of decorative plants with providing related services.



### **It was the start**

Thus slowly existing flower collection was moved from small decorative flowerbeds to larger plots – drills and furrows for multiplying plants. The production business was started, initially consisting of 100 sorts of decorative plants that were cultivated and multiplied. Each spot of 1,2 hectares was used efficiently. There was a product there should be sales! The first season for Daina and little Katrina passed travelling around countryside of the region and selling plants in number of marketplaces and trade fairs. The experience gave first small profit and a conclusion that Daina wasn’t satisfied with this kind of distribution. So the next development stage started.

### **Knowledge fosters ideas**

Seasonality of the gardening business meant that Daina had a lot of time during long autumn and winter evenings for self-education. She studied marketing literature herself, and a year later entered Rezeknes Augstskola, Faculty of Economics. Daina found a lot of interesting ideas during her studies and her active and energetic character allowed her to realise 2 projects that promoted her company to wider society. The next season she explained her ideas to NGO “Rieksava” members and with support of local community, regional newspaper “Vietēja” (“Local”)



implemented idea, which since that have turned into continual traditions. It was festival – competition “Convention of Latgale flower gardens”. “Gunda-Z” accepted guests and sponsored prizes for winners – decorative plants. Amateur gardeners or just flower lovers of all the Latgale region were invited to present their flower gardens for evaluation – to find the best, the most beautiful garden landscapes, the most original garden ideas. Since 2003 the event has been organized every year and attracts new and new participants.

From informative newsletter of NGO “RIEKSAVA”:

“In length of 4 years during events “Convention of Latgale flower gardens” we have discovered more then just beautiful garden landscapes. The most interesting discoveries were people – open minded, affectionate, with deep heart wisdom and life experience.”

Responsiveness of people was unexpected. In 2003 when the event was organized for the 1<sup>st</sup> time more then 100 participants applied. Daina loves to remember happy expressions in faces of people and their wishes: “You are the best! Keep the ball rolling!”, “Your garden and knowledge is necessary both for soul, heart, and mind!”. The event included not only observation and evaluation of gardens presented, as well training and cycle of seminars and lectures “Gardener learns by his/her eyes” were organized. That included review of flower and plants’ collections at “GUNDA-Z”, buzz sessions with collectors and scientists, florists’ presentations. The best gratification of the season was appraisalment of people – in the annual survey organized by the regional newspaper “Vieteja” Daina was recognized as a “Year’s Person in Latgale”. As a result of the activities was recognition of the company in the region and clarification of the business development strategies.



## Strategic aims

At the moment “GUNDA” has the following strategic aims formulated:

1. To develop decorative plants’ collection testing suitability of the collection items for cultivation in Latgale’s climate conditions; their multiplication and realization.
2. To offer innovative environment education methods for adults and youth – in forms of dialogue, views and experience exchange and in correspondence with local community and personal life quality increase.

## Phenomenon of garden landscape

Landscape as a scientific and psychological phenomenon of land cultivation and nature formation is a consolidating element of environment influencing each individual through all perception channels – scent, taste, vision, touch, hearing. Daina and Gunars have set up collections' garden with total area of 1 hectare. 700 sorts and breeds of plants are collected and arranged in decorative ecological expositions. Collections are of botanical, economic and educational significance, they serve as education and research object and give a possibility for rest and pleasure as well. Intention of collections is to present assortment of particular groups of decorative plants, to show and explain their role and significance in parking and landscape design, to demonstrate their interrelation, and to illustrate possibilities of rational, ecologically justified and economical gardening and parking. Garden of collections includes the following thematic expositions and collections of particular decorative cultures:

- Garden of colours
- Rock-garden
- Farm garden
- Garden of different shapes
- Lilies' collection
- *Dienziezi* collection
- *Hosti* collection
- Peonies' collection
- *Astilbes* collection
- Decorative herbs collection
- Humid loving plants' collection



All expositions and collections comprise a garden of ideas. The Ideas' Garden takes advantage of aesthetic influence of plants and gives a chance to develop territory as especial subtype of cultural landscape – garden landscape. **Daina** likes to put in mind that nobody in the world has ever tried to calculate in terms of money those gains and benefits for individual which are presented by flowers bouquet, tide and arranged yard, blossoming flower-bed.

## Products and services

Today "GUNDA" offers seeding material. There are 500 sorts of plants in assortment – decorative grass and herbs, winter-hardy flowers, bulb flowers, tuber flowers. Price: 1,00 – 5,00 EUR. All the season around 1-1,5 hours educational excursion "Walk in world of colour, scent and shapes of garden" is offered for groups and individuals (price 1,00 EUR for adult, 0,5 EUR for children). The invention of this season is an offer of innovative summer workshops (1-2 days) for groups (3-10 persons) with practical work in garden,

introducing and learning about assortment of plants, their features, use, arranging bouquets and flower compositions. Price: 15,00 – 20,00 EUR per person per day.

## **Markets and distribution channels**

Daina tells that company's clients are owners of individual houses and gardens, state and private organizations, and inhabitants of all Latgale region. Individuals and private companies which specialize in landscape and garden design order and purchase plants. "GUNDA" itself sometimes accept offers for arranging small or medium sized garden objects, but that is not main activity. Schools organize excursions of children to the garden. Individuals arrive themselves to the company to observe collections and to choose the products. Daina believes that the best advertisement for the company is a satisfied customer who returns again to the company. Articles about GUNDA appear in local and regional newspapers not on regular bases – rather in summertime when writing about the summers events of gardening-lovers. Daina says that it is difficult to make a prognosis about customers, incomes for the coming season. She doesn't consider there are serious competitors in the region, especially regarding collections of various types of garden design. Daina considers that further development of the garden of shapes and colours could make it unique product in Latvia. Until the moment the company has worked without losses but also without significant profits. In accordance with the last year's operations Daina considers that turnover could be 3000 – 5000 LVL.

## **Investments for the future are necessary**

Daina has certain ideas for development and therefore she knows what are tasks to be implemented. To

introduce a new service – cut flowers for local market (Rezekne district) – during winter season, it is necessary to build greenhouse.

The necessary space – 300-500 square meters, including heating and

watering system. That would require certain investments. At the moment there is no free capital to finance the project. Latgale region is recognized as the least developed in Latvia and one of the least developed in the EU. Therefore there is a special program for support of small and medium sized entrepreneurs in the region. It is possible to get significant funding from the EU structural funds and Latvian Regional Development Agency. Daina considers that the process of applying for the funding is too complicated and a very small possibility to receive funds in a result. When she started her business in 2002 only private investments were used. Daina doesn't believe



that at the moment she would be prepared to apply for some loan in commercial bank, because lack of confidence that her flower business will attract enough clients to make profits to return credit.

In the meantime Daina plans to devote more time to seek for new cooperation partners in Latvia and abroad – in order to replenish her collections, to implement joint projects, to attract investments.

## **SWOT analysis**

Daina has elaborated a SWOT analysis of her business.

### **Strengths**

- 1) Necessary knowledge, experience, education
- 2) Resources – large (700 *taxons*) collection of decorative plants
- 3) Land property registered in national Land Register (1,2 hectares)
- 4) The farm has geographically advantageous location and picturesque landscape surrounded
- 5) Cost advantageous
- 6) Energetic, motivated and venturous owners

### **Weaknesses**

- 1) Lack of qualified workforce
- 2) Distant location from asphalt covered roads (15 km of gravel road to get to the farm)
- 3) Lack of current assets
- 4) Limited land resources
- 5) No services offered at winter season

### **Opportunities**

- 1) Territorial reform
- 2) Development strategy of the parish
- 3) Rogovka village has rich cultural and historical heritage. Local municipality has identified development of rural tourism as a priority. There is a possibility of getting involved in the bicycling route “Rogovkas loks” (“*Rogovka circle*”)
- 4) Cooperation with mass media, NGOs, rural municipalities in the region
- 5) Development and support of ethical values and traditions in education
- 6) Funding provided by the EU structural funds
- 7) Cooperation with other local neighbouring entrepreneurs (eg., providing catering or accommodation)

### **Threats**

- 1) State legislation (Vocational Law) changes
- 2) Decrease of demand
- 3) Seasonality of demand
- 4) Decreasing purchasing power of customers
- 5) Disadvantageous tax policy
- 6) Increasing prices of supplies and other resources



Education and Culture

## Leonardo da Vinci

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