

Building success, one chair at a time: the Baldeka Furniture Production Company¹

Baldeka is a medium-sized furniture production business located in the southern Lithuanian district of Alytus. Established in 2002, the company has gradually expanded ever since, while continually investing in the development of new technologies and new export markets. While its main activity is the production of office furniture, Baldeka is broadening its focus to include shop interiors and subcontracting. Today, the company boasts a highly-qualified team, from management through the construction and purchasing departments to production management, encompassing every employee. Its advanced production planning and order management systems allow Baldeka to produce both standard and customized products efficiently in a variety of batch sizes, with a delivery ratio of 99 percent. In response to customer demand and to adapt to EU quality requirements, the company has obtained ISO 9001 and ISO 14001 certification.



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According to Baldeka commercial manager Arūnas Visockas, today the firm exports more than 90 percent of its production, mostly to Scandinavian and German markets. "Our company's products meet the design and quality requirements of these markets—which is why they are a priority for us. [Exporting to these countries] allows us to ensure maximum sales and efficiency while lowering costs," Visockas says.

The company first had the opportunity to sell to the Swedish and Danish markets after receiving EU structural support for export development in the 2007-2013 New Opportunities program.

Before receiving EU structural funding, Baldeka had never exported to either the Swedish or Danish markets; at the time, almost all its exports were to Norway. Accordingly, the company's strategic goal was to capture some market share in other export markets as soon as possible. To get to know the other Scandinavian markets better, Baldeka signed a cooperation agreement with the well-known firm Hexacon Baltija. The latter's deep familiarity with Scandinavian markets allowed Baldeka to learn more about consumers' needs and demands while identifying the advantages and disadvantages of its product range. Based on this research, Baldeka created an export development strategy laying out appropriate targets for sales channels, export volumes, and company productivity.

¹ The article has been prepared with reference to the following information sources: Official website of "Baldeka", section About Us <www.baldeka.lt/about-us/> and press release "Lietuviški baldai – Skandinavijos rinkoms" (Lithuanian furniture for Scandinavian market), March 8, 2011, <<http://www.baldeka.lt/uploads/Lietuviski%20baldai%20Skandinavijos%20rinkoms.pdf>> ; Article "Verslo plėtra šiandien – rezultatai rytoj" (Business development today – results tomorrow), Alytaus naujienos, No. 75 (12559), July 3, 2014 m, <<http://www.baldeka.lt/uploads/Baldeka.pdf>>.

EU funding also enabled Baldeka to participate in the renowned Stockholm Furniture Fair in 2011, at which it received a great deal of visitor interest—providing a clear initial indication that its strategy was sound and its goals achievable.

After successfully implementing an export development project funded by the European Regional Development Fund, by 2013 the company's annual export income had reached approximately €16.8 million—nearly six times the 2008 total. Visockas explains that the increased income allowed the company to make additional investments in modern production technology, job creation, and improved working conditions.

In pursuing its own development, Valdeka has also contributed to the overall prosperity of the city of Alytus. Not only has it improved the town's overall economic performance, but it has directly created—and will continue to create—a significant number of jobs for local residents. For example, during 2012-13, its workforce grew from 118 to 170 employees.



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