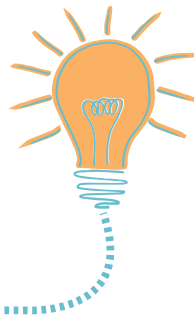


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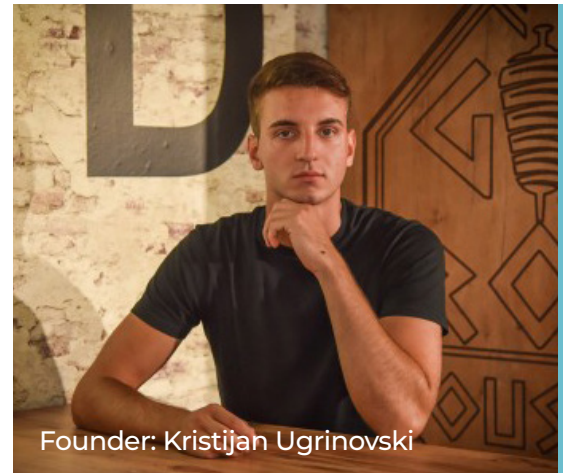
• Visegrad Fund



Case study

Synopsis

Gyro House Skopje is a story of determination, innovation, and business planning in details. From a pursuit of a childhood dream to introduce a unique fast-food concept to the Macedonian market, Kristijan Ugrinovski's journey involves gaining personal competences in the creating gyro recipes and operations of food preparation to building a brand, operations procedures and securing finances. The path combined both challenges and successes in launching the niche business in a highly competitive fast-food market.



Founder: Kristijan Ugrinovski

GYRO HOUSE SKOPJE: A TALE OF PERSEVERANCE AND ENTREPRENEURIAL VISION

INTRODUCTION

Coming from a family of serial entrepreneurs, Kristijan's father cautioned him about the challenges of the hospitality industry and the difficulty of turning ideas into successful businesses. Yet, his passion for sports, particularly handball and downhill mountain biking prepared him for handling tough and extreme situations. His dedication to training and competing in these demanding sports made him critical and disciplined. This same discipline has seamlessly transitioned into his approach to business, where his teamwork spirit and goal-oriented mindset have become invaluable assets.

So, despite facing moments of doubt and the need for extensive research, he continued, juggling his studies in business economics and assist at his uncle's construction company. At just 19, Kristijan was determined to bring his gyro restaurant idea to life, no matter the sacrifices, a desire to fill a gap in the local culinary landscape. Navigating challenges and building foundations Kristijan's journey towards realizing his dream involved thorough planning, persistent research, and overcoming initial skepticism from family and external environment. A year later, he began by sketching out his concept, similar to a business plan, using only pen and paper. Despite belonging to the tech-savvy generation, he chose to stick to traditional methods to flesh out his business idea. Through unwavering dedication, he transformed his initial concept into a comprehensive business plan, laying the groundwork for Gyro House Skopje's future success.

MASTERING THE CRAFT

After initiating his research efforts, Kristijan embarked on a comprehensive exploration, looking for a placement at gyro restaurants across Northern

Greece. Despite facing closed doors initially, he persisted, even performing basic jobs like trash collection to gain insights. Eventually, he gained access to observe gyro preparation firsthand. Kristijan refined his skills in meat processing at a Veria factory, crafting his own gyro recipe and mastering various techniques, a dedication that led to becoming a butcher's assistant. Enduring long hours and adapting to early mornings, Kristijan's unwavering discipline drove him forward.

"Creating my own gyro recipe in the meat factory was all the motivation I needed to jump out of bed at 5 a.m. with a smile on my face. A year ago, you couldn't have paid me to rise before 8 a.m. That's how much passion drove me."

It was in the meat factory that he uncovered the diversity in gyro recipes, realizing the importance of uniqueness in gaining a competitive edge. This year-long experiment proved priceless, providing Kristijan with competitive experience to pursue his business venture.

ESTABLISHING THE GYRO HOUSE SKOPJE

Kristijan withdrew from social activities, company, vacations, and going out for over two years, all in pursuit of shaping Gyro House. He started with the product portfolio development. While the thought of selling burgers has crossed his mind, specializing in gyro-based fast food led to the niche market strategy. Flagship product was the gyro, to be available in multiple variations, such as pork gyro, chicken gyro, and mixed gyro along with secondary offerings like salads, souvlaki, nuggets, club sandwiches and desserts to complement the offer.

When it came to the competitor analysis, being

aware of the highly competitive fast-food segment did not overly fixate him. Surprisingly, despite encountering a strong emphasis on competition in his business studies and previous work experiences, he chose to focus more on analyzing pricing differences rather than direct competition. However, upon drafting the business plan, he recognized the importance of analyzing competitive segments. The business plan proved crucial not only for initial decisions but also for ongoing revisions to maintain a competitive edge.

In terms of market positioning, the medium-term goal was to emerge as a leader in Skopje's fast-food industry, alongside established brands like 7tsa (oldest local burger outlet), KFC, and Burger King. From the outset, the emphasis was on the positioning and marketing, knowing the importance of building a recognizable brand. This involved visual identity planning with attention to details such as logo, colors, indoor and outdoor designs of the serving place and much more. Many sleepless nights were dedicated only to these tasks. The business plan allocated 15-20% of annual profits to marketing and promotion which aligned with the European standards, but locally was considered substantial, given the prevailing reluctance to view marketing as an investment in brand growth and loyalty.

„Our focus is on customers' feedback over financial gain. Constructive criticism from social media networks has been instrumental in our improvement journey, helping us focus on customer preferences and eliminate bottlenecks.”

The business planning may not fully prepare one for the reality and this was proven right. Avoiding the spotlight, Kristijan did not plan for official grand opening but focused on the operations, yet what was planned to gradually be developed turned out to be hectic. It took the fast-food bistro two years, to operate smoothly even in his absence. This success was attributed to the implementation of standard operating procedures, regulations, internal policies and a strong organizational culture led by Kristijan's own example.

When initially planning for supplies such as drinks, food ingredients and other expendables, he thought it would be easy to get into a supply chain and even counted on some grace period for the payments but the reality was the opposite. The market was rigid and full of stereotypes about startups and young people doing business as in the past multiple gyro restaurants in Skopje failed to survive. Suppliers were hesitant to establish a working relationship with a young

entrepreneur and a newly established company like Gyro House Skopje and handling advance payments for supplies was particularly tough in the beginning, but they found a way to manage and eventually got support by some suppliers. Kristijan said that this lesson only strengthened his determination to support young entrepreneurs that come for his advice or support in future.

And lastly, the financial planning posed a significant challenge for Kristijan as he planned on securing the necessary funds to launch the business as well. The investment was a combination of his personal savings, a loan and some family support. The break-even point was initially projected for the fourth year of operation. In reality, the business achieved profitability within just one year without the factoring of his sweat equity, extending the realistic timeline for breaking even beyond the first year.

GETTING THE RIGHT TEAM

Crafting the ideal team for a venture is undeniably one of the most formidable challenges in business. Gyro House Skopje today takes pride in its team, which has been instrumental in delivering consistent quality food products in a period when the standard operation procedures were being put in place. Despite the thorough planning, no business plan fully equips an entrepreneur for the particulars of assembling and managing a team, particularly in the young stages of a company with constrained human and financial capital. Kristijan's dedication to success turned him into skill HR manager after conducting a staggering 80+ job interviews within the initial year of operations. As result of the careful selection process, the team has 15 trustful and dedicated employees including legal and financial department.

THE FUTURE

Looking ahead to the future, Gyro House Skopje is poised for continued growth under Kristijan's leadership. He admits to have understood the wisdom his dad shared, that *„Starting and running a business is like having a child that never grows old! You have to take care of it every single day.”* Speaking of that, the bistro has moved to third year of operation and there are opportunities to explore for further innovation and expansion. One option is to refresh the menu and introduce new offerings, leveraging the creative culture already in place. Alternatively, expanding and opening a second fast-food bistro while maintaining the current menu could be considered. Either way, the team is optimistic and determined to position as a leading fast-food outlet, with long-term plans to extend beyond Skopje's borders, tapping into new markets for growth.

Developed by Nadezda Pop Kostova.
Reviewer: Makedonka Dimitrova.

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