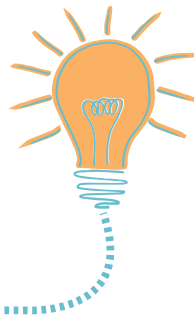


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Case study

This case study aims to explain the entrepreneurship theory that encompasses various models and frameworks that explain the behavior, motivations, and success factors of entrepreneurs. The entrepreneurs in this case drew inspiration from theories related to opportunity recognition, risk-taking, and innovation. Their journey emphasizes how important leveraging existing resources, forming partnerships, and adapting to uncertainty are for entrepreneurs.

(supohrid.com)



Sup Club Ohrid – Adventure awaits

PADDLING THE BOARD OF ENTREPRENEURSHIP: SUP CLUB OHRID BECOMING A GAME CHANGER

INTRODUCTION

In 2018, Ivona Veljanoska, a young graduate with passion and enthusiasm, embarked on a journey to redefine the tourism landscape in the City of Ohrid, North Macedonia, by launching a stand-up paddle board club - SUP Club Ohrid. While her dedication was obvious, a lack of a clear business vision didn't deter Ivona from gradually reshaping the tourism offers at the shore of one of Europe's deepest and oldest tectonic lakes.

Ivona's conviction stemmed from the belief that the short summer tourist season along the Ohrid Lake coastline had the untapped potential to attract active and adventure-seeking travelers. Historically, the Lake of Ohrid has magnetized nature enthusiasts. However, as the tourism industry evolved, undergoing a profound transformation, competitiveness among suppliers emerged, necessitating the establishment of new service standards. The changing landscape brought forth modern customer expectations, demanding innovations in services and global-scale communication channels. This shift pressured local tourist agencies and tour providers accustomed to traditional communication channels and basic summer holiday offerings.

Driven by a desire to contribute more to her hometown, Ivona expanded the SUP Club Ohrid's services beyond the conventional summer season, targeting the period from November to April. After 5 years since the establishment, the business faced new growth challenges and pathways to navigate the evolving industry landscape.

THE TEAM

Both, Ivona Veljanoska and Vladimir, sibling founders, had the necessary background in water sports, each cultivating expertise in distinct disciplines. Ivona's young age was marked by a deep affinity for Oxford-style rowing and swimming. She attended graduate studies in

Business Administration and earned a Master's Degree in Marketing in 2018, in the capital city of Skopje. Vladimir is a professional athlete, who refined his skills at a kayak club in Ohrid, engaging in both self-training and coaching sessions for children. His achievements include being part of the Macedonian kayaking team, where he showcased his skills in a few world and European Kayaking Championships. He is complementing his sports knowledge as a student at the Faculty for Physical Education, Sport, and Health, like his older sister in Skopje.

Despite their diverse backgrounds, they share a common love and passion for water sports. While Ivona leverages her extensive travels to over 32 countries to explore new service possibilities and innovations in water sports, Vladimir brings an expert perspective grounded in his athletic and coaching achievements.

OFFICE WITH A LAKE VIEW

Situated along the immediate shore of Ohrid Lake, SUP Club Ohrid boasts a prime location within walking distance of the city center. The paddleboards are neatly arranged along a narrow beach that leads to the most photographed landmark, the church of St. John Kaneo.

Over the past two decades, Ohrid¹ has transformed into a destination for active adventure travelers. From plenty of water activities and guided tours to sports like hiking, paragliding, diving, sailing, kayaking, and paddleboarding there's something for everyone. Accessible by both ground and air, thanks to its nearby airport, Ohrid experienced a notable surge in visitors in 2022. According to the, there was a 38.2% increase compared to 2021, with a 4.9% rise in domestic tourists and a remarkable 113.5% surge in foreign visitors.²

THE START-UP

In the summer of 2018, Ivona's unplanned introduction to stand-up paddleboarding sparked a realization that

¹ Ohrid, a UNESCO World Heritage site, encompasses natural, cultural, spiritual, and historical elements, making it one of North Macedonia's most visited cities. Before Macedonia gained independence in 1991, Ohrid was an industry-dominated city, with the majority working in factories and a limited hospitality sector. The privatization process led to the closure of many factories, but also hotel privatization, and a transformation in the local accommodation landscape. Residents began converting their houses into tourist accommodation units, marking a shift towards offering diverse tourist experiences.

² State Statistical Office of North Macedonia

“this could be more than just a hobby”. Unemployed at the time, she embarked on a journey to turn her hobby into a business. Armed with her promising business knowledge, she drafted an initial “business plan” on a utility bill envelope, presenting the idea to her parents. Her mother’s immediate financial support marked the inception of SUP Club Ohrid, starting with two stand-up paddle boards and a primary focus on rentals.

“Fun, hobby, and passion” became the driving force behind Ivona’s entrepreneurial pursuit. Still, the initial plan of renting boards at 5 EUR per hour for a minimum of 3 hours per day fell short of the funds needed to formalize the business. Undeterred, Ivona sought to enhance her offerings. In the summer of 2019, SUP Tours and Experiences were introduced, adding value to the existing services.

Despite the challenges posed by the COVID-19 pandemic in 2020, Ivona’s commitment to customer feedback and preferences drove even greater service portfolio expansion. As borders closed, a friend helped them acquire two more boards thus becoming a silent partner over the next two years. In early 2021, when the Club became officially registered, her brother Vladimir joined. His expertise led to new services including kayak coaching for children. In addition, the acquisition of six stand-up paddleboards enabled them to cater to larger groups and establish collaborations with tour operators. However, the high demand during peak seasons necessitated borrowing boards from friends to meet customer needs.

DIVERSIFYING AND GROWING

In 2022, recognizing the urgency to expand their fleet and diversify services, the entrepreneurs formulated an official business plan. Securing external funding of 50% from a donor project marked a turning point, enabling them to enhance their service portfolio with pioneering ‘yoga on water’ in the country, a full range of supping equipment, and a boat that resulted in gaining a competitive edge. The new services not only meet customer expectations in terms of safety on the water but also convenience as they were able to offer hotel pick-ups and special tours at remote and unique locations. Despite the unwavering dedication of Ivona and Vladimir, the challenge of achieving sustainable growth increased. Faced with revenue constraints and the need for innovation, they took swift action to stay competitive. More services were introduced including sup/kayak team builds, Full Moon Sup experiences, and a few other [events](#).

These novelties enabled them to extend the operating season from May to October.

“We strive to meet customers’ expectations and offer a unique experience different from our competition. Our boat enables a rapid reaction. In case of emergency or weather alarms, we can smoothly bring the customers back to the coast.”

SUP Club Ohrid evolved into a business oriented towards domestic and foreign active and adventure-seeking tourists who are on a quest for top-quality experiences. From its humble beginnings with two paddle boards in 2018, after only 5 years, SUP Club Ohrid expanded its fleet to 20+ units including 11 kayaks, 2 windsurf units, 1 yoga dock, 1 inflatable motor boat, and various accessories.

Embracing a strategy of diversification and innovation, SUP Club Ohrid introduced three new divisions, kayaks, windsurf units, and a yoga/workout inflatable dock. Their ambition to strengthen their position in the Ohrid tourist attraction market is evident, with plans to introduce additional water sports activities for next season. In 2023, they initiated Ohrid Water Festival - Ohrid Water Festival with strong local support and over 15 counterparts from the water sports sector. Also, Club Ohrid is voluntarily organizing eco-friendly beach clean-ups with SUPs and kayaks underscoring their commitment to raising awareness about environmental issues like littering and water pollution. Their actions align with a broader goal of influencing local policies to effect positive changes.

THE FUTURE

As they anticipate the future of SUP Club Ohrid, a pivotal crossroads awaits them. The spectrum of possibilities is broad, from considering stronger branding and marketing approaches to developing new adventures targeting new sets of customers. Alternatively, the option of acquiring wetsuits and diversifying into different tours for both local and international tourists during the winter months presents a way forward. Or maybe venturing towards an all-season active sports club for young people is the key to their long-term orientation. Yet, more than the team of three full-time employees and a few seasonal staff will be required to support possible growth.

Navigating this dilemma requires a delicate balance of strategic planning and a willingness to adapt. As Ivona and Vladimir stand at the precipice of new possibilities, the choices they make will shape the trajectory of SUP Club Ohrid, influencing its role in the dynamic tourism landscape of Ohrid Lake.

DISCUSSION QUESTIONS

1. Would you characterize the “Threat of new entrants” in the industry SUP Club Ohrid competed in as high, moderate, or low?
2. Which traditional barriers to entry have SUP Club Ohrid set for the potential competitors?
3. What steps should Ivona and Vladimir take to sustain their growth and secure their position on the market in the niche type of the fragmented active tourist industry?

Developed by: Nadezda Pop - Kostova

Contributor: Makedonka Dimitrova

Reviewer: Elena Bundaleska

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