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Contractor: Chemonics Inc.

USAID COR: Mr. Sinisa Cadjo

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Author: TFP (Technological & Food Processing Park)

ANNEX P: GRANTEE FINAL IMPLEMENTATION PROGRESS REPORT

Name of Grantee: Technological & Food-processing Park Leskovac

Grant Number: 03IMCDNI02

Activity Title: Establishment of Product Development Research Center (Pilot Plant)

Reporting Period: October/01/2014 – June/30/2015 (i.e. the period covered by this report)

Date of submission: July/17/2015

General review:

This grant activity directly targeted these obstacles:

1. Building R&D capacity of TFP and its members through establishment of fully equipped Product Development Research Center (pilot plant),
2. Improving and expanding marketing of Top Food brand to enable new sales and new markets,
3. Promotion of cooperation between the Technological Faculty and private companies in research and development and developing innovation capacity among soon-to-be graduated food processing engineers.

The Product Development Research Center have been fully equipped to enable processing of small quantities of food products in order to improve existing and develop new Top Food products. Going forward, the Center will be open for the TFP member companies to use it free of charge for testing and development of their products and by the Technological Faculty for education purposes.

The Center will also offer commercially the following services to non-members:

1. Product development: Technical consultations, Concept analysis and development, Product design and instruction for manufacturing, Product packaging instructions, Regulatory requirements and labeling assistance, Quality control/quality assurance specifications. Pilot Plant equipment will be possible to integrate to provide a process made up of unit operations such as size definition, shaping, heat transfer, mixing, complete forming, kneading, batter/breading, frying, cooking and baking. The pilot plant will be used for scale-up and process design, as well as interim and test-market productions.
2. Analytical services: Product evaluations of physical properties, such as color and texture, as well as chemical composition and microbial qualities, analysis supports shelf-life determinations and nutrition labeling requirements will be provided by Technological Faculty and offered to third party clients through TFP consortium. A consumer product

testing to meet the requirements of products, access to food preparation equipment, to mimic end-user preparations, statistical data analysis and product test reports, R&D services in post handling and storage and value added processing product development will be provided by TFP technologists in pilot plant.

The TFP will determine fees for the above services based on the type of service and the costs relating to the use of labor, raw materials/ ingredients and other direct costs. The services will be offered by the TFP staff, technical consultants and, especially, Technological Faculty resources (professors, research assistants, post graduate students).

The Pilot Plant is staffed with 2 food processing engineers/ technologists and two assistants. Personnel was coached and mentored by the professors of the Faculty and technical consultants for development of new products.

In addition, experienced food engineers and technologists from the TFP member companies may be part-time engaged in research and development of new products. The TFP company members provide ingredients necessary for product development while the TFP staff is responsible for procurement of raw materials which are not used by the member companies.

Grant activity was expected to result in:

1. Fully operational Product Development Research Centre (pilot plant) ;
2. Market Demand Survey that will assess the status of existing products and possible improvements and needs of local, regional and surrounding markets, and identify area for improvements of existing products and type of new products to be developed;
3. Development and launch of ten new and five improved Top Food brand products;
4. Internship program for at least 75 students, future food processing engineers, with innovation vouchers as rewards;
5. Top Food marketing activities such as marketing plan, design and development of the packaging for new products, etc.).
6. 60 jobs created, including at least 20 jobs for young people;
7. Increased revenues of businesses - 1.0 mil USD of processed food products sold by the end of 2015;
8. Direct private sector investments - 2.000.000 USD in improvement of competitiveness of food-processing sector in TFP until the end of 2015 generated;
9. The TFP Leskovac enlarged for 5 new members.

Implemented Activities:

Activity	Short narrative description of implemented activity
1. Works on renovation	<p>During the first month of implementation several meetings with technologists and engineers were held. The needs for connections on infrastructure were identified according to the equipment performance. Master plan for the renovation of the space was prepared. It includes: electrical power supply, water supply, sewage, gasification and renovation of the walls and floors. Renovation works started in December 2014. Infrastructure works have been finished during winter time according to the needs of purchased equipment and master layout. Electrical installations were constructed so that all machines will be supplied according to their technical specifications. Electric power meter and fuse panel stores have been installed. Water supply and sewage pipelines were constructed to ensure connections for rotary rack oven, electric oven with furnace blower and two/piece sink. Gasification works had to be done by certified company. Subcontracted company made all technical installations according to technical standards for that kind of work. Separate pipeline has been constructed from gas station to the pilot plant. After construction works, certified company made testing and issued a certificate for the use of gas installations. Gas connection was necessary for rotary rack oven with gas burner. All walls in pilot plant have been sanded, smoothed and painted. Three new doors had been installed according to master layout to separate pilot plant from other space. Windows, doors, system for central heating and ventilation have been painted. Additional works to the destruction of outer wall had to be done in order to ingestion of equipment. After equipment insertion, new wall has been constructed and painted. Additional works to the adaptation of the new outer entrance to the pilot plant had to be done to enable separate entrance to the pilot plant. All planned and additional works on renovation have been finished in the first week of April 2015.</p>
2. Equipping the Product Development Research Centre (Pilot Plant)	<p>Local STTA experts were engaged in preparation of final technical specification and plan of equipment layout in the pilot plant premises. Tender committee consisted of five members was appointed. Chairman of committee and administrative assistant were in charge for administrative compliance check. The other tender committee members (technologists, economist) were in charge of technical and financial evaluation. Tender dossier was prepared and coordinated with SLDP representative. Public invitation to tender was published in daily newspaper on 16th November. Four possible tenderers submitted request for tender documentation (Minipan Krusevac, Protedo Mala Mostanica, Pertu Pozarevac and Termoservis Cacak. Tender dossiers were sent to possible tenderers upon request. Preparatory meeting with Evaluation Committee members held in order to introduce them with tender documentation and selection and award criteria. Deadline for submission of tender packages by offerers was 05.12.2014. Three offerers submitted</p>

documentation on time. Public opening of tender packages held on 5th of December as scheduled. Tender opening report has been prepared by tender committee including tender opening checklist. Several meetings with Evaluation Committee members held in order to do evaluation and selection of best offerers. Based on tender documentation and selection and award criteria, Evaluation Committee proposed the best offerers to whom contracts would be awarded based on evaluation grids prepared for 18 lots. Evaluation report was prepared by tender committee. All offerers have been informed on the results of evaluation process. There were no complains on the results and procedure. Draft contracts have been prepared and sent to selected offerers. They accepted and signed supply contracts for the equipment for the pilot plant. Three contracts have been signed with subcontractors. All contracts came into force in the first week of January and deadline for performance to be completed was 60 working days. Subcontractors prepared advance invoices. TFP staff prepared PPO PDV (VAT exemption forms) and obtained VAT exemption for purchased equipment based on law regulations. TFP made advance payments to the subcontractors in order to ensure delivery of equipment.

The following machinery was delivered, installed and tested: Rotary Rack Oven and trolleys for oven (2 pieces), automatic gas burner for rotary rack oven, Depositor (multidrop), Conical rounder, Dough molding machine, and Volumetric dough divider machine including all machine accessories for delivered equipment.

Also the following equipment was delivered: Racks for cooling of baked goods and bread, stainless steel baking pans and aluminum perforated baking pans, Stainless steel working table, stainless steel two-piece sink, scale weighing up to 100 kg and small tools.

Rotary Rack Oven was moved on the first floor (where pilot plant is located) with involvement of construction machinery (cranes and forklifts).

Cost share equipment such as: baking oven with a system for intensive blowing, mixer for kneading dough, laminator for making puff pastry and planetary mixer have been delivered, installed and tested.

TFP received three offers from insurance companies and selected AS Osiguranje a.d.o. as best offeror. TFP signed insurance contract against fire, theft and breakage of equipment covering pilot plant. Procured work equipment have all supporting documentation in accordance with local regulations in the respective institutions and all necessary equipment attests, certificates and technological and technical documentation have been obtained prior to installation of equipment in the pilot plant. The pilot plant staff received training from the equipment suppliers and local STTA experts on the safe handling and the proper use of equipment.

The premises of the pilot plant are equipped with the fire extinguishers according to defined fire protection measures. Fire exits and other necessary

	<p>attention marks have been clearly marked according to designed evacuation plan. Protective work clothing and first aid kit for pilot plant users have been provided. TFP staff and students who works in the pilot plant wear protective clothing, coats, disposable caps, gloves and masks.</p>
<p>3. Organizing the opening ceremony of Product Development Research Centre (pilot plant)</p>	<p>The opening ceremony was organized on 22nd April 2015. Over 70 invitees were present on ceremony: USAID representatives, SLDP staff, City administration, Technological faculty, national agencies and organizations, owners and managerial staff of TFP company members, owners and managers of other food processing companies and distributors and customers from Serbia, Kosovo, Macedonia, Croatia, Montenegro etc. Undergraduate and postgraduate students of food-processing department were also present. The event was covered by local and national media representatives.</p>
<p>4. Conducting Market Demand Survey</p>	<p>TFP staff prepared questionnaires for existing buyers and distributors in order to get feedback about situation with existing products on the market. Several meetings with sales departments of TFP members were held. Questionnaires have been sent to buyers and distributors. They filled them and sent back to TFP. Qualified consultants for preparation of market demand survey were selected and contracted. Several meetings with subcontracting consultants were held in order to prepare first draft. Market demand survey have been prepared and translated to English. Market Demand Survey provided information about the situation with existing products on the market and identified products which need improvements. The survey: 1) defined needs of local, regional and surrounding markets 2) identified possible new products that can be developed.</p>
<p>5. Development of new Top Food products and improvement of existing Top Food products</p>	<p>During project implementation, selected consultants and technologists from TFP company members worked on improvement of existing Top Food products and development of new products. New formulations for improving the quality of the existing products have been prepared. Technology for production process of existing products has been defined and improved according to improvement of efficiency and quality of existing products. Improved products have been tested, produced and sent to the market successively according to the dynamic of sales and needs of distributors. Improved products were placed to the market during the second half of June after traders spend the old stocks of products. Subcontracted consultants have developed 10 new products according to the existing facilities, equipment available in the pilot plant and TFP company members and availability of raw materials and ingredients. TFP has hired two technologists who will be constantly engaged to work in a pilot plant to develop new products and setting up trial production of new products. They were trained to work on equipment in pilot plant by consultants and equipment suppliers. They passed one month of trial period and now they are fully employed by TFP. TFP intends to hire six new employees (production</p>

	<p>workers) that will be trained by technologists to work in two shifts. Technologists from TFP member companies also worked on new product development. They succeeded to develop additional 10 new products. All of 20 new products may be further improved in variations of flavors, shapes, colors. New products are classified in following product groups: long-term and short-term cookies, biscuits, cakes, rolls, breads, loafs, cream products and mixture of products. Ingredients used in product manufacturing are: wheat flour, corn flour, integral flours, rye, buckwheat, sesame, flax, sunflower, coconut, cocoa, chocolate and fruit juices (orange, lemon, kiwi, cranberry, cherry...). All above mentioned products may be produced in various shapes and colors. Categories (groups) of new products have been identified based on customer inquiries, requests of distributors in targeted markets and feedback of sales agents in the field. The process was based on the utilization of existing resources that are readily available and established a relationship between primary production, processing and final manufacturing of food products.</p>
<p>6. Accession of new members to TFP consortium</p>	<p>TFP manager presented whole concept of TFP to potential new members. Six entities agreed to join TFP consortium: High vocational school of business studies from Leskovac, and five food processing companies Mladost, Umipek, Lazotti, Pertu and AMF. TFP hired local law office to prepare the contract and other administrative documentation for accession of new members. Administrative procedure for accession of six new members have been prepared and agreed. Formal ceremony for signing of documents and notarization of documents by competent court will be held during summertime according to availability of existing and new members authorized representatives because all of them must be present at the same time. With this enlargement TFP now consists of 13 members and all of them are equally represented shareholders in decision making bodies of TFP consortium.</p>
<p>7. Preparation and implementation of internship program</p>	<p>TFP signed MOU with Technological Faculty. The internship program was jointly developed and implemented by the Technological faculty and TFP with the aim to become a regular, annual activity. The internship program has been offered to students of the final year at the Technological Faculty by TFP member companies. The objective was to familiarize students with the production processes in the companies. Technological faculty signed contract with food processing companies for implementation of internship program. TFP jointly developed and implemented program with Technological Faculty in pilot plant as it was planned. 71 students of food-processing department have been divided in three groups and passed internship program in pilot plant and two TFP company members Moravka and Tomaco Line. Additional agreement with High Business School Leskovac has been signed. Their students will join internship program from next school year. Scope of cooperation has been defined.</p>

<p>8. Preparation and implementation of innovation vouchers program</p>	<p>TFP organized a call for proposals (open competition) for ideas for development of new products that was opened to undergraduate and graduate students of the Food Technology Department at the Technological faculty in Leskovac. Technological Faculty finished preparatory documents. Special Committee of five members was appointed for this purpose. Committee members defined rules and requirements for the call for proposals. Call for proposals was published on the faculty web page and written invitations delivered to students. Deadline for submission of concepts was on May 25. 21 students participated in competition. Seven concepts for new products that have been developed were found compliant with the requirements. Committee members separately evaluated concepts and then jointly ranked proposals. 7 vouchers have been awarded to students. Award ceremony was organized with cocktail and media coverage on 11th of June. USAID representatives, SLDP staff, Technological Faculty, TFP company members' representatives, Committee members and students (participants) were present. Local and national media representatives were reporting about the event. Best seven ideas (proposals) were selected and awarded with vouchers. TFP allowed them to work on further development of their ideas in the Product Research and Development Center facilities (pilot plant). The finalized samples were tested and first prize proposal started with experimental production. That product is included in new product line of Top Food and will be sent to the market and included in TFP product catalogue. The other awarded ideas will be further developed and included in the production later.</p>
<p>9. Preparation and implementation of joint marketing activities and visibility actions</p>	<p>Joint marketing materials have been prepared in order to present potentials and possibilities of the TFP consortium, TOP FOOD product lines, and to present the concept of business service delivery model and benefits that it offers to target groups. Marketing materials that were prepared included: TFP web page, TFP product catalogue, TFP brochures and TFP leaflets. One of the most important purposes of the joint marketing material was to promote the TFP, especially Research and Product Development Center with pilot plant and TOP FOOD product lines with newly developed products. Web presentation and design of web page were finished and tested and was published on www.tfp.co.rs. TFP brochure and leaflets have been prepared, designed and printed out as it was planned. Marketing plan has been prepared as it was planned. Marketing plan was based on the Market Demand Survey. The purpose of marketing plan and its implementation was to increase market share of products and to strengthen position on the existing markets and to enable placement into new markets. Top Food catalogue have been prepared, designed and printed out as it was planned. USAID branding for all printed and published materials has been approved by SLDP representative and applied in materials. TFP staff prepared all necessary technical documentation for packaging of new products. Subcontracting agency prepared design of 16 new packaging for products. B2B meetings have been organized with potential</p>

	<p>clients and existing Top Food distributors from Croatia, Bulgaria, Kosovo, Macedonia, Montenegro, Czech republic and Serbia (MMS Podgorica, Chemmax Vukovar, Kraš Zagreb, Boso Vinkovci, DaB Production Prague, A-style Kragujevac, Select Food Beograd, Megadistributer Nis, Emona Brand Skopje, Pajtimi Malisheva, Afrim trade Prizren etc). New scope of cooperation has been defined including new developed products. TFP company member Tomaco Line signed two new contracts (which are going to include newly developed Top Food products) with companies from Iraq and Macedonia.</p>
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Achievements and Challenges:

During project implementation the following results have been achieved vs. planned results:

1. **Fully operational Product Development Research Centre** - 100 m² renovated area with additional 80 m² for entrance fully equipped with: automatic dosing machine, rotary rack oven with gas burner, volumetric dough divider machine, dough molding machine, the planetary mixer, mixer for kneading dough, baking oven with system for intensive blowing, conical rounder, laminator for making puff pastry, stainless steel baking pans, trolley for oven, stainless steel working tables, stainless steel to-piece sink, racks for cooling baked goods and bread, perforated aluminum baking pans, scale weighing up to 100 kg and small tools as it was planned. Humidity analyzer and analytical scale were not purchased because TFP company members already own them and can be used in the pilot plant as necessary. The biggest challenge during the project implementation was procurement of equipment. Several issues influenced on equipment supply and resulted in 6 weeks of delaying of pilot plant opening ceremony. Suppliers asked for advance payments and TFP couldn't manage to pay in advance for all equipment and had to wait for SLDP's reimbursements after delivery, installment and testing. It was overcome by successive payments after each delivery of the equipment. Four devices and machineries were imported and it was necessary to deal with custom regulations and procedures. Three of the machines were produced based on the technical specifications and demands done by TFP technologists and the equipment manufacturer has to deal additionally with importing of spare parts and assembling issues. Finally, all above mentioned equipment were delivered, tested and found compliant with requested specifications and Serbian law regulations.
2. **Market Demand Survey** has been produced as it was planned. The survey assessed the status of existing products and possible improvements and needs of local, regional and surrounding markets, and identified area for improvements of existing products and type of new products to be developed;
3. **Development and launch of ten new and five improved Top Food brand products** - At the end of the grant completion, as a result 20 new products have been developed and 5 existing products improved its quality and production efficiency. This is an ongoing process;
4. **Internship program** for at least 75 students, future food processing engineers, with innovation vouchers as rewards - a total of 71 students passed internship program and 7 innovation vouchers were awarded;

5. **Top Food marketing activities** were conducted as it was planned - The marketing plan has been prepared, promotional material designed and printed (TFP brochures, Top Food product catalogues, TFP leaflets), TFP web page designed and launched, and design for 16 Top Food products developed and prepared for printing of which 12 are for the new developed products and four for existing improved products. All planned B2B meetings with existing and potential clients (distributors, customers and food processing companies) in surrounding markets have been organized.
6. **The TFP consortium enlarged for six new members** - 5 private food-processing companies and High vocational school of business studies (public sector) agreed to join consortium.

The following expected results could not be measured at the moment and will be evaluated through proposed follow-up activities because needed data will be part of annual reports for 2015 which are going to be prepared by the end of March 2016.

1. **60 jobs created**, including at least 20 jobs for young people - There were only two new jobs generated. TFP employed two additional food technologist to work in a pilot plant to develop new products and setting up trial production of new products. They passed one month of trial period and now they are fully employed by TFP. TFP intends to hire six new employees (production workers).
2. **Increased revenues of businesses** - 1.0 mil USD of processed food products sold by the end of 2015;
3. **Direct private sector investments** - 2.000.000 USD in improvement of competitiveness of food-processing sector in TFP until the end of 2015 generated.

These are long term goals and direct impact of implemented activities to their achievement need at least one year after pilot plant started with operations. Interim data analysis shows that TFP company members (private sector only) increased revenues of business in 2014 for 4.819.545 USD versus 2013 and in the same period they employed 126 new workers. Some of direct investments are ongoing and final result will be known after competition.

Success Story:

Both Internship and innovation vouchers programs were successfully implemented and will be expanded to the students of Higher Professional School of Business Studies in Leskovac. According to MOU already signed in May 2015, students will participate in both programs starting from next school year. Awarded students in first call for proposals have been invited to come to pilot plant to discuss with TFP consultants and experienced technologists from TFP company members about their new product ideas. New ideas were tested and one of them (first prize winner) have been further developed, tested and found compliant with market requests and will start with production by the end of July 2015.

Follow up Activities Planned for Next Period:

Technological & Food-processing Park has developed Action plan for the period starting from July 2015 until June 2016. The Action plan includes ongoing activities started in previous period

through project implementation under SLDP program but also includes new activities that are going to be implemented in pilot plant and TFP consortium members.

1. Development of new Top Food products and improvement of existing Top Food products

This activity envisages use of the pilot plant for testing and development of new products that will be manufactured and marketed under TOP FOOD brand. These products will be launched and sold through existing TFP distribution channels. Marketing plan already developed includes expansion to new markets. Pilot plant started to be fully functional in the second half of April. TFP already developed 20 new products in pilot plant and will start with distribution of 12 new products to the market by the end of July 2015. Due to products life cycle, a longer period is needed to get back with information from the customers and market. Some changes to the newly developed products will have to be done upon request of the market. The quality of five existing Top Food products has been improved and new production technology was adopted. Those products were sent to the market and feedback information until now is with positive reactions by customers. The overall effects of improvement of existing products may be evaluated after product life cycle finish (approximately 12 months) because turnout of products is depending on seasons. TFP will continue improving existing Top Food products and developing new ones in following period. Having on mind that new members will join TFP consortium, this service will be offered to them and pilot plant will be available for improvement and development of new products within their product lines. Period: July 2015 - June, 2016

2. Accession of new members to TFP consortium

TFP consortium will be enlarged with six members that already accepted to join consortium. All necessary documentation for accession is already prepared and adopted. Official signing of the document "Changes and additions of the Contract for establishment of Technological and Food-processing Park" which has to be signed by seven previous members (founders) and six new members and has to be certified by public notary and representative of the Court will be organized in the last week of August. It has to be done after summer holiday season so that all the authorized signatories of the document may be present on the ceremony. After verification of the document by the competent Court, the director of TFP shall conduct the procedure for registration of new members to the Business Registers Agency. The whole procedure should be finished by the middle of September. Activity on accession of new members to TFP consortium will continue in order to include all existing key food-processing companies at the South of Serbia. Period: August 2015 - June 2016

3. Internship program

The internship program will be jointly implemented by the Technological Faculty Leskovac and Higher Professional School of Business Studies Leskovac and TFP with the aim to become a regular, annual activity. The internship program will be offered to students of the final year (next school year) at the Technological Faculty and Higher Professional School by TFP and member companies. The objective is to familiarize students with the pilot plant capacities and production processes in the TFP companies. It is planned that internship program will become regular activity and pilot plant will become teaching base for practical classes. Technological faculty will develop new curriculum for food-processing department including this activity in it. Higher professional School will also include internship program into their curriculum for gastronomy

classes. Both educational institutions will prepare curriculum for internship program and will adopt it on faculty academic councils at the beginning of the next school year.
Period: October 2015 - May 2016.

4. Innovation vouchers program

TFP already organized first call for proposals (open competition) for ideas for development of new products. Existing undergraduate and graduate students of the Food Technology Department at the Technological faculty in Leskovac were interested to participate. Seven participants were awarded during project implementation and best product idea was further developed in pilot plant as new product that will be produced under Top Food brand. Next year, the students will be invited to present ideas (concepts) for new products development to the committee again. This program will become traditional activity, that, every year, at the end of the school year, students will have chance to participate. The program will be expanded to the food processing companies. Financial support can be e.g. in a form of Innovation vouchers. Even though Europe ranks high among regions with the highest number of tertiary education institutions and research facilities, it experiences a relatively low level of transfer of scientific knowledge into practice. This phenomenon is known as "knowledge paradox". Numerous companies (especially small and medium enterprises) have little money to fund their own research and development, but at the same time they are reluctant to appoint a third-person partner (a university, for example) to resolve the particular problem for them. Several innovation support and technology transfer instruments have been implemented so far in practice, in order to resolve this problem; some are successful, some not so much. The so-called innovation vouchers proved to be one of the most effective instruments, as they attempt to overcome the shyness and mutual distrust between the researchers and business entities. TFP will help in convincing companies that there are providers of knowledge and experience on the market that can resolve problems effectively and risk-free. Innovation vouchers will be lump-sum subsidies granted to companies for the purposes of pilot projects of cooperation with knowledge providers. It is expected that both parties establish long-term cooperation in order to cooperate on complex projects, even in the future. On one hand, innovation vouchers improve competitiveness of enterprises, and on the other hand they improve the effectiveness of commercialization of research at scientific and technology institutions. TFP will look for additional funding for this purposes to the national institutions and other funding opportunities. Period: January 2016 - June 2016

5. Joint marketing activities

Joint marketing materials and promotional tools have been already prepared in order to present potentials and possibilities of the TFP consortium, TOP FOOD product lines, and to present the concept of business service delivery model and benefits that it offers to clients. TFP web page published on www.tfp.co.rs include existing Top Food products and TFP (pilot plant) services and has to be updated with newly developed products and other marketing materials and supporting documents. It will be updated by the end of July 2015 and will be regularly updated on a monthly basis in the future. Implementation of marketing plan for TOP FOOD has to be realized in upcoming period to increase market share of products and to strengthen position on the existing markets and to enable placement into new markets. Several B2B meetings with potential clients (distributors, customers and food processing companies) will be organized. TFP members have usually problems to succeed on foreign markets and to start exporting significantly. Costs related to introduction of a new product of „unknown“ company are usually

too high to provide return of investment. SME's also often lack knowledge of customs and other bureaucratic procedures related to export and do not possess capacity to deal with these issues. That is why companies often unite themselves into export associations / clusters sharing the costs and creating their own new brand for foreign markets. The "Top Food" brand created by TFP represents exactly this type of activity and the Technology Park shall continue with introducing this brand on other foreign markets. It can also provide consultancy on business in EU, European legislation and terms and conditions of business in the countries of EU and look for partners for production and business cooperation, European initiatives and programs. Technology Park can certainly help with e-promotion of TFP members, to place PR articles on its web page. Another service provided will be joint presentation at trade fairs and exhibitions. The arrangement of joint attendance at a communal stall at specific trade fairs or exhibitions, including taking care of organization and PR. PR can also have a form of Remote promotion which is a service enabling companies to present themselves and their products at professional conferences, specialist trade fairs and international exhibitions – without them actually being physically present. Trained representatives of TFP will actively pitch and present companies at meetings and events which they are unable to attend in person. Information about firm is given to the right people and details regarding possible collaboration and any additional steps can be arranged. For implementing of this activity, TFP will apply for additional funding to donors. Period: July 2015 - June 2016

6. Technology transfer, cooperation with academic sector

The regions with the missing scientific base are usually characterized by economic lagging behind and minimum innovation activity. The goal of technology transfer is development of innovation based entrepreneurship and motivation of local companies to innovate in order to increase competitiveness. The goal of the technology transfer in the TFP should be to cooperate with academic sector in creating effective environment for technology transfer in the Park and to offer top-quality support and services to member companies and Technological Faculty. The first step in technology transfer in Leskovac should be active use of Technological Faculty laboratories by local businesses followed by construction of a laboratory measuring / certifying food quality directly in the Park. It is a long term objective of TFP supported by Faculty. TFP and Faculty representatives are preparing project proposal for equipping the laboratory that is going to be submitted to upcoming calls for proposals of EU funded programs. During next year, TFP management shall be able to identify technological company needs, look for suitable partners and suppliers of technologies and know-how both in Serbia and abroad, to look for partners for joint-venture, to assist in the negotiations with potential partners, to organize contacts with university experts and research institutions. Period: October 2015 - June 2016

7. Area management – FDI attraction

Technological & Food-processing Park shall also play a role of land developer. In the first phase it shall find an investor to remaining lots in existing park and rent / sell them the land. It shall focus on such activities of potential investors which will support key value chains of existing companies. In the second phase it may start developing of the adjacent „Green Zone“ which represents a great potential both for further development of existing companies in the Park as well as attraction of external / foreign investors which will complete the value chain in leading industries in the city (food processing, pharmacy, textile). Period: October 2015 - June 2016

8. *Innovation Academy*

We often hear economists say that this recession is an opportunity for healthy companies to improve their market position. Innovations play a key role here. If a company does not make innovations a part of its corporate strategy, it may soon experience its “very own financial crisis”. Therefore it can help to local companies to participate in a training program focused on innovations – the Innovation Academy. Participants representing their companies can learn about the systematic approach towards the role of innovations in the process of development of companies and they will have an opportunity to analyze the potential for innovations in their company. They would be supervised by experienced lecturers who will help them eliminate mistakes, if any, and potentially wasted financial resources. The purpose of the Innovation Academy is to help managers and business owners prepare for new challenges in the competitive environment that is becoming tougher day by day, where innovations are a new form of competitive advantages and instruments of growth. The Innovation Academy curricula would be based on a combination of the best trends and practices from the area of innovation management, and they shall also include practical elements represented by workshops and coaching, where specific projects are discussed. Seminars will have an interactive form of dealing with issues related to controlled innovations – especially innovation strategies of companies, creation of effective innovative processes in companies, new markers, products and fast and significant improvements of efficiency of corporate processes. Furthermore, the seminars include the element of workshop, i.e. a training part the purpose of which is to at least propose a project plan for each participating company. TFP in partnership with City of Leskovac and ALER, already submitted project proposal for Innovation Academy to the EU Progress call for proposals.

Period: September 2015 - February 2017

9. *Business Incubator*

In the longer term the Technological & Food-processing Park shall fulfill the role of business incubator and assistance to start-up firms to increase the entrepreneurship and innovation potential in local economy and to support key value chains present in the park. In TFP Incubator the university graduates or other people thinking about starting their own business shall:

- get knowledge about different fields - law, accounting, marketing
- have an access to the office premises, where they can work 7/24
- discuss plans and ideas with experienced entrepreneurs or experts
- meet interesting people
- get first experience from entrepreneurship, first customers or money
- on the beginning there are small teams or single persons with an idea. After three months of intensive workshops and a hard work they can grow into the companies with well-developed team.

Business incubator is also part of above mentioned project proposal submitted to EU Progress in April 2015. Period: September 2015 - February 2017

Report submitted by:
Vladimir Kostic
Project manager