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ASSISTANCE TO ICPE'S (INTERNATIONAL CENTRE FOR PUBLIC ENTERPRISES)  
CONSULTANCY SERVICES IN THE FIELD OF WOOD PROCESSING

SI/INT/88/801

YUGOSLAVIA

Technical report: Assessment of MEBLO's technical level,  
production capacity and marketing policy.\*

Prepared for the International Centre for Public  
Enterprises in Developing Countries (ICPE)  
by the United Nations Industrial Development Organization,  
acting as executing agency for the United Nations Development Programme

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TABLE OF CONTENTS

	Page
I INTRODUCTION.....	1
II Raw materials (inputs).....	2
III Products (Outputs).....	3
IV Production technology.....	7
V Marketing and product development.....	14

## I. INTRODUCTION

As part of its technical assistance project <sup>1/</sup> to the International Centre for Public Enterprises (ICPE), UNIDO assigned one of its staff members, Antoine Victor Bassili, Senior Industrial Development Officer of its Department of Industrial Operations to undertake a one week mission to assist ICPE in its 'OPTIMA' consultancy project to MEBLO, a leading furniture manufacturing plant in Nova Gorica, Yugoslavia. This mission took place from 11 to 16 April 1988.

His terms of reference were to appraise the present situation with respect to raw materials (inputs), products (outputs), production technology, marketing and product development, to list his findings and make recommendations (for both immediate and long term implementations) that would improve the company's overall profitability, create employment and promote development of new approaches and products.

He hereby wishes to thank his counterpart, Mr. Victor Arn of MEBLO, and all his colleagues, who have facilitated his task by providing him with all the information he sought. He also wishes to thank Dr. Ed. Pirkanen, the Team Leader of the ICPE project for the guidance he received on the project's overall aims and for the background information already compiled.

## II. RAW MATERIALS (INPUTS)

### Present Situation

MEBLO has a small sawmill that provides some - if not all - of its needs in sawwood - both beech and spruce. Raw material is allocated to it from the vicinity.

It was claimed that it was of poor quality, but at the time of the visit the logs being sawn were of above average quality.

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<sup>1/</sup> Project No. SI/INT/88/801

There does not seem to be any problem with the supply of raw material for the large (120 000 m<sup>3</sup>/annum) particle board plant.

The majority of the raw material requirements of the furniture plant are produced locally and available on a regular basis, while for others that are imported, regular supply seem to pose no problem.

### III. PRODUCTS (OUTPUTS)

#### Present situation

MEBLO currently produces and markets the following range of products:

- Particle board, of good quality, in the raw state (MEBLO's production of 120 000 m<sup>3</sup> per annum represents 16 percent of Yugoslav production).
- Cut to size particle board, in very small volumes.
- Surface finished particle board, also in very small volumes.
- A very wide range of furniture, of a quality higher than the average on the Yugoslav market, comprising:
  - Panel furniture for households
  - Panel furniture for contract work (offices, hotels, etc.)
  - Upholstered furniture
  - Solid wood furniture (chairs and tables) in relatively smaller quantities, to complement the panel furniture
  - Small quantities of metal and plastic furniture
- Plastic lighting devices (lampshades, etc.)
- Plastic and metal road signalization equipment.
- Relatively small quantities of woodworking machines and electronic devices
- Textile wadding used in upholstery and garments.

#### Findings

1. MEBLO has, over the years, concentrated on the sale of finished products. When it could not achieve to transform (add value) to all its production, it sold that portion with little value added.

For example, MEBLO currently produces about 120.000 m<sup>3</sup> of particle board annually. Roughly 15 percent of this is absorbed in its own production of furniture. Whenever needed for its own production, it cuts the press size panel (5630 x 2050 mm) to the required sizes, and surface finishes them with plastic (PVC) or rigid melamine foils. Although it does not utilize its installed capacity in these two capital intensive lines fully (current utilization is estimated by MEBLO to be practically fully utilized using 18 percent of the production of particle board, while the laminating line works only two shifts and uses 20 percent of production of particle board). No attempt is made to market to its current end users cut to size and/or laminated particle board components, and thus increase value added to products while at the same time increasing machine utilization.

2. MEBLO has not attempted to sell its services in such fields as production of furniture components, be they from panels or solid wood. In its large plant in Nova Gorica, it has lines for solid wood moulding, veneering of mouldings, finger jointing and turning that are far from fully utilized. To cite but a few examples:

- A large automated panel component line is used only marginally.
- The complex also has excess capacity in kiln drying.
- The plant in Trnovo has excess capacity in radio frequency bending of veneer laminates. (These are but a few examples.)

While inter-company trade in furniture and joinery components are more the exception than the rule among the Yugoslav industry, the situation in Italy is diametrically opposite. MEBLO is located adjacent to one of Italy's largest furniture producing areas (Veneto, around Udine) - the other being the Brianza area (north of Milan).

3. MEBLO has recently established a unit for the production of woodworking machines and engineering. It has so far mainly catered for the company's internal needs, but has started to produce special purpose machines, which although of apparently good design and quality, have but a limited market. The company has a large reservoir of technical skills which it could use to sell engineering (software) services. There is a dire need for such services

in Third World countries and local expertise is simply not available. The few well established specialized firms in Europe and the United States are too busy with local clients to consider catering to the needs of the developing countries, which leaves the field open to new entrants from the more advanced developing countries.

4. It has also recently established a production facility to produce and assemble electronic components into industrial equipment.

5. NEBLO has so far not attempted to sell or license its designs and production know how to potential overseas users (in countries located so far that it cannot, for cost of transport reasons, envisage selling its products on these markets or those of nearby countries nor could these clients compete on NEBLO's markets).

6. NEBLO has 17 showrooms throughout Yugoslavia that are major distributors of its production. These however - except for rare cases - only sell NEBLO products.

#### Recommendations

1. On a matter of urgency the policy of selling raw particle board should be changed to one giving priority (even if sales price has to be on a marginal costing basis) to sales of surface finished and/or cut to size particle board components.

2. NEBLO should make a concentrated effort to enter the Italian market for furniture components. Here again because of the current relation of the Yugoslav Dinar to the Italian Lira, pricing initially may have to be on the marginal costing basis.

3. NEBLO should, in the long run, develop its collaboration with producers in the developing countries that could permit it to enter markets that are currently too far and for which freight rates would absorb too high a percentage of the sales price. It could sell its existing designs and production know-how, offer management and technical advisory services, and even

license its name. The technical staff of the complex in Nova Gorica, together with that city's vocational and technical school, can provide specialized services which are badly needed in developing countries.

4. In the immediate future, MEBLO should sell the considerable technical know-how available through its staff in Nova Gorica. This should not be done to potential competitors, but to furniture producers in countries which are located so far that not only is MEBLO not active in their own markets but that they do not share a common market and are unlikely to do so. (This would comprise Asia east of India and the whole of Latin America.)

This could be achieved through the opening of a small office in the region selection (eg. Singapore for South East Asia, Lima for the Western Coast of Latin America, etc.) comprising one technical specialist in furniture production, who has been long enough with the company to know who exactly is the best person (or group of persons) who can best provide the required answers. He could communicate these queries directly to them, by telex or telefax and obtain prompt answers.

Local costs would be limited to rental of a small office, communication costs and the salary of a local bilingual secretary and that of the technician.

If the person selected has the right aggressive marketing attitude and offers these services - initially at low cost - to the smaller producers who normally do not have access to larger expatriate specialized consulting engineering firms, and also accepts to provide ad hoc answers to 'small' questions (eg. drying schedule for a local species, correct way of constructing a jig), considerable business could be generated and provided answers are prompt and the fee is considered to be reasonable. It must be realized that in almost all developing countries there are not specialized consulting engineering firms to cater for the needs of the furniture industry.

Eventually, once confidence has been built up, these same clients who were 'testing' MEBLO with simple questions will entrust it with full fledged engineering jobs (plant layout, selection of machines, manpower training,



recruitment of expatriate technicians and managers, etc.). MEBLO would probably have to collaborate with the vocational school for training aspects of the personnel of its clients, and language training for the technicians it will be sending abroad.

This outpost of MEBLO could also provide the Head Office with purely commercial business of a technical nature; namely to purchase in Europe, for the local client, auxiliary material used by the industry, spare parts, etc., group them in a container and ship them or airfreight them overseas.

Eventually, some of the better clients could become potential joint venture partners for MEBLO for which MEBLO could provide managers, license its designs and market them on markets too far from Yugoslavia to be penetrable by its Yugoslav production using its name (eg. MEBLO ASIA).

N.B. The object of recommendations 3 and 4 are not to generate in the immediate future large cash inflows, but rather, over a period of five years, to develop a complete range of services (software) that MEBLO could offer to clients in countries too far to sell furniture in, at a minimal initial cost. These services should also be in fields in which it is currently not active, eg. export of furniture industry requirements made in Yugoslavia or in Europe to these countries, developing a programme to train in Nova Gorica (together with the excellent Vocational Training School) technicians and skilled workers from these countries, etc.

5. In the machine production and engineering department, serious consideration should be given to widen the range of services offered. The machines produced are of quite a specialized nature, and demand for them is per force small, even in a booming economy. In moments of recession - like the one Yugoslavia is now going through - investment funds are scarce resulting in their being used more for completion or upgrading of existing production facilities than the creation of new ones. Using the facilities and human resources it already has, MEBLO could certainly tap the virgin market of rehabilitating, modernizing and automating existing equipment in the Yugoslav wood processing industry sector. This machine re-building activity could comprise (but not be limited to):

- Installing automatic (or semi-automatic) controls to existing timber drying kilns. (This would involve MEBLO's relatively new electronics department plus its engineering staff).
- Upgrading the performance of sawmill equipment such as barkers, band headrigs, band resaws, etc. through the increase in operating speeds, increase in mechanization, and overall machine rehabilitation.
- Increasing mechanization of sawmill transfer lines.
- Retro-fitting optimal or mechanical centering devices on plywood lathes to increase veneer yields in plywood plants.
- Mechanizing, through the use of pneumatic devices, simple operations done on standard woodworking machines, such as moulders, planers, lathes, borers etc. by building in the existing machines feeding devices, clamping devices, etc.
- Improving the waste and dust extraction systems in existing mills by breaking up the large pneumatic suction systems covering the whole mill into smaller independent units that are linked with a particular line, incorporate filters (to recuperate heated air), etc.
- Modernizing existing surface finishing facilities and lines

6. A serious attempt should be made, as soon as possible, to offer to produce components for other furniture plants in Italy and Yugoslavia. The production management department should communicate to the sales department detailed information on idle capacity available in the next quarter's production plan, based on production forecasts. It - or perhaps the production department itself - should have technical salesmen visit furniture plants in North Italy - initially the Veneto area around Udine, but subsequently also the Brianza area north of Milan - to offer the use of this excess capacity, i.e. to manufacture those components which Italian plants need which could be machined on production units not fully employed. This service could subsequently also be offered to furniture plants in Yugoslavia, but unlike Italy (where the system of sub-contracting is well introduced) in-depth preparatory work will be needed. MEBLO Italiana S.p.a. could collaborate in this respect.

It is most important, in introducing this service to stress reliability of delivery dates, quality, and that the salesman be a production technician who could speak with his counterparts in the factories of potential clients to overcome any problems.

7. MEBLO has accumulated over the years a considerable number of designs that were successful in their heyday. The technical department must have kept all the relevant records (designers drawings and technical drawings, costing data with raw materials specifications and waste factors, standard times, tooling specifications, designs of jigs, packaging specifications). Most of these designs were probably following the fashion in vogue at the time they were launched and tastes have changed in the meantime; but some could no doubt still be marketable today, of course in smaller series, and in countries that have never seen them - i.e. for whom they would be 'new designs'. (This applies to some case goods which could be 'face lifted' by changing the type of surface finish, the drawer pulls (and perhaps faces) etc. An attempt should be made to sell, as a 'package' the more traditional of these designs on markets that MEBLO has not yet entered. This package should contain not only the designs but all the technical know-how necessary to ensure sound and speedy production without any start-up problems.

#### IV. PRODUCTION TECHNOLOGY

##### Present Situation and Findings

MEBLO can be considered, by any standards, as being a large furniture factory producing panel and solid wood furniture using up to date production technologies.

It has above average production facilities, some of which are 'state of the art'.

The company was created over 40 years ago, consequently some of the buildings are showing the result of age and also of overall readaptations to various changes in use and may no longer be ideal for the equipment they contain and the more modern production flow methods. They are, nevertheless, by and large (eg. except for the Trnovo plant) satisfactory.

The main plant in Nova Gorica has been allowed to expand beyond what is considered currently the optimal size. (It must be realized that at the time these investments were made, the average income level in Yugoslavia was lower, hence clients were satisfied with less sophisticated products, there were far fewer competitors on the local market, and it was - and looked like continuing being for a long time - a sellers' market. For a long time product range was decided by production and not market considerations and this too resulted in the pursuit of gigantism.

In the course of time, various plants (Branik, Cepovan, Trnovo) joined the MEBLO complex, already as well established firms, with their own programmes and priorities. This has resulted in duplication (eg. panel machining lines in Nova Gorica and Branik, upholstery sections in Nova Gorica and Trnovo, etc.) which could not be avoided. Both facilities had to keep up with technological developments, compounding the issue of poor machine utilization.

Although Yugoslavia is really a market-oriented country, the lack of a small industry to subcontract specialized operations to - as is the case in Italy - has affected adversely flexibility in production and hence profitability.

Because of the recognition that MEBLO's management had given to the importance of having a skilled work force, and the leading role it played in the creation, and financial support it gave to, the Vocational School in Nova Gorica, the company now has a skilled and competent workforce both at the worker and technician levels.

MEBLO's forte has always been the quality of its products; a factor that has helped propel it to a leading position in the Yugoslav furniture industry. Both the management and the labour force have been proud of this fact. It has achieved this through the motivation of its workforce and the introduction and adherence to an overall and strict quality control scheme, as well as well planned and conscientious machine and tool maintenance and a judicious use of jigs and other production aids.

It is obvious from the installed equipment that the technical management has always followed closely technological developments and made sound choices of technology and continues to do so. The company being production (as against market) oriented, eventual machine utilization was not given the importance it deserved, since it seems to have been assumed that the market would absorb any excess installed capacity.

Investments might have been made to produce, in large series, a type of product (eg. edge banded panels) at a time, when from a marketing side, these were being replaced by products that needed to use solid wood lippings. This has affected machine utilization.

It is difficult to assess productivity when not working at full capacity, since increases in productivity become unjustified (to the eyes of some) because of corresponding increases in machine downtime. Doubtless, productivity could increase in certain departments. Work stations in the assembly lines are well designed in certain stations, but improvement, through more use of jigs, less crowded work stations, etc. could improve productivity.

Quality control is well entrenched and its importance seems to be recognized.

The question of size of series is a far more complex one. Increased standard of living of the purchasers has resulted in an increased diversification of the range of products manufactured and a consequent explosion of the number of components that have to be produced and a corresponding reduction in size of series. (Another possible reason might be that increased competition by new factories in other Republics has resulted in MEBLO having to cater for an average higher income bracket which again resulted in a more diversified production run and smaller series.) Whatever the real causes are, the result is a steady increase, over the years, of the number of components and a corresponding decrease in size of series. Value analysis was introduced and carried out on a regular basis some 15 years ago; regrettably, the practice has since been stopped. Value analysis, leading to an increased standardization of components and simplification of designs of components, for all MEBLO plants can result in a lower number of components and a corresponding increase in size of series, thus increasing overall productivity and profitability.

Production is planned on quarterly (three-month) and monthly bases. Emphasis seems to be on producing the required number of each and every product, not on planning the production of a sufficient number of components for storage in an intermediate component warehouse which would permit an independent, yet more flexible planning of assembled furniture. This, together with a reduction of the number of components, might lead to a more rational production planning, higher machine utilization and a better grouping of the idle capacity so that it may be offered for contract work; leading to a more specific and intensive marketing of sales of specific components for other furniture plants that would increase machine utilization. The increase in cost of inventory will be more than offset by an increase in machine utilization and the eventual disposal of redundant pieces of equipment.

Production planning - and to a lesser extent control - is done in a serious and methodological way. The task could be greatly facilitated once the value analysis exercise recommended would have reduced the large number of components in the production programme.

Plans are underway to link the various departments with the production planning and control department through a series of some ten computer terminals.

Internal transport and plant housekeeping is good.

The following production units are located in Nova Gorica:

Particle board production: Although the line is ten years old, the maintenance has been excellent resulting in an excellent product being manufactured, which, by and large, meets the most stringent European norms (eg. for formaldehyde emission).

The panel cutting line and that for surface finishing are more modern.

Sawmill: The sawmill is small, but meets most of MEBLO's needs.

Timber drying kilns: There are two large pre-dryers, two conventional kilns and three vacuum kilns. Excess capacity, when available, is offered to outsiders who bring their work.

Solid Wood component factory: This is the most modern unit in MEBLO. Modern high capacity machines have been installed to produce cut to size mouldings, mouldings overlaid with veneer, mouldings produced from finger jointed timber, etc. The complex's only CNC router (with four heads) is located in this department, which also has three high capacity automatic lathes, not used at the time of the visit.

Although capacity is far from being fully utilized, the situation does not seem to be as acute as in the panel lines.

Panel furniture production factory: This is the heart of MEBLO's operation - and also its biggest problem as far as capacity utilization goes. One large line is fully linked and hence very rigid and calls for very large production series, a prerequisite which MEBLO's current marketing situation makes it unlikely to achieve. The older line is more versatile. In planning production, emphasis is laid on ensuring full utilization of the large line.

Although the plant has two automatic surface finishing lines, current fashion trends of rounded edges force it to use spraying booths. Conditions is these are far from optimal, air drying taking place in the same room as spraying. Management is however aware of the shortcomings.

Upholstery production plant: This unit produces using standard technologies. Improvements in marking up of the textiles (eg. by spraying a colour on the lay with the patterns still placed on the top layer of textile, and then removing the patterns and cutting at the edge of the coloured piece) could increase productivity.

Similarly; if the requirements of cut to size dacron type filling material justify it, productivity could be improved by installing a suction device under the whole cutting table, replacing the surface of the whole table

with a perforated one, and make up a high pile of filling material. A thin plastic foil is then placed on the whole length of the pile, vacuum is applied, and, when the height is reduced, the pile cut with electric vertical shears.

Assembly, packaging and storage departments: They are well designed and seem to operate efficiently.

N.B. The metal furniture, plastics lamps, and mattress (JOGI) factories were visited, but they operate efficiently and fell outside the scope of the assignment is so far as possibilities of integrating their products into those of the 'problem' departments - or vice versa - are small.

#### Recommendations

1. In the particle board plant, the existing panel overlaying and cutting to size lines should operate on a three shift basis. This would not only increase value added of the products, but could also absorb redundant labour from other departments. (Marketing this production to furniture factories, both in Yugoslavia and Italy, should pose no problem).
2. In the solid wood and case goods factories a serious attempt should be made to increase machine utilization by producing furniture components for furniture plants in Italy (and eventually also Yugoslavia, when the existing resistance to subcontracting would have been overcome).
3. Value analysis should be re-introduced as soon as possible to attempt to reduce the large number of components and simplify the production process. Since this is a multi-departmental exercise involving not only production but also marketing, design and sales departments, it will also result in a better (and more in depth) understanding of production's problems by all other departments. Because it is at least eight years since this exercise was last carried out, it might be necessary to call upon a specialist for one week to train the coordinator and participate in the first two meetings of the teams and brief them to ensure that a full and correct use is made of the system. (If requested to do so UNIDO could provide the specialist on a funds in trust basis.)



4. Because it is more than likely that the current fashion for panel furniture with machined (as against edge banded) lippings is likely to continue, priority should be given by MEBLO to improve the paint spraying rooms currently used and invest in new facilities both for spraying as well as for drying.

5. More emphasis should be placed on increasing the volume of intermediate components stored, and reorganizing this storage. (Space does not seem to be a problem.) Ideally production of components in the Nova Gorica panel furniture plant should be one cost centre, and surface finishing and assembly another. It is expected that once the value analysis exercise has been completed, the number of components in production would have been reduced - hopefully considerably reduced. Dissociating the production of components from their surface finishing and assembly will ensure that size of series could be optimized without infringing on requirements of the market and marketing considerations. Components could be produced in batches of optimal sizes and then surface finished and assembled into finished products to suit the market's requirements. It would also give more flexibility to surface finishing, since different components of the same colour could be processed. This flexibility of operation can best be achieved by having two cost centres.

6. There should be increased collaboration and exchange of components between the various MEBLO units (Nova Gorica, Branik and Trnovo). By centralizing production and increasing transport of components from one plant to another, it will become easier to liberate partially used installed capacities in the other plants which will be able to offer these for subcontracted work for other furniture plants in Italy, and subsequently in Yugoslavia. (It might well be that the volume of idle capacity in each of the three plants is too small to interest a client, and grouping the work done as part of a subcontract in all three plants prior to shipment might be more complicated and lead to increased problems in quality control than if the outside client obtains all his requirements from one single plant.

7. Serious consideration should be given to increasing the amount of subcontracted work that would be carried out by small entrepreneurs, receiving components from MEBLO and carrying out one of the following tasks: carving

(hand carving of components pre-carved on a machine), surface finishing (for highly specialized tasks or small series), assembly, etc. It would be preferable if MEBLO could build on the free space available within the complex in Nova Gorica small shops for leasing to these subcontractors. This arrangement would reduce production costs - since their overheads would be lower - yet at the same time keep transport costs to a minimum. It would also permit the reduction of the number of persons on the payroll, since existing craftsmen could be induced to leave and set up their own businesses through promises of contracts from MEBLO.

#### V. MARKETING AND PRODUCT DEVELOPMENT

##### Present situation and findings

MEBLO has seventeen showrooms ('salons') that provide it with outlets for a considerable portion of its production. These exhibit, to all intents and purposes, only MEBLO products. Furniture is normally sold assembled.

MEBLO's quality is good, but the designs are 'not inspiring'. All of the company's product range is designed by in house designers. No use of currently made of free lance designers, resulting in a policy by which the company's future depends on the small group of its design office. While they are no doubt talented, fashions in furniture tend to change, and successful furniture producers abroad have found it easier to follow market trends by using free lance designers than if they had to rely on employees. The fact that free lance designers in Italy and Scandinavia operate in a buyers' (and not a sellers') market might well explain their success in exporting. While local designers can follow local fads and trends, and understand the mentality of the buyers of the furniture; they are not in a position to understand that of end users of MEBLO products on all the markets it attempts to penetrate. The marketing department therefore has to rely on the tastes and 'feeling' of their agents or clients. These are, more often than not, businessmen with little 'feeling' for design. Taking members of MEBLO's design office to fairs is no solution either, since it does not give them enough time to acclimatize and develop designs suited to the local tastes, habits and living conditions of the markets MEBLO wishes to enter.

MEBLO does not seem to have undertaken, in recent years, surveys to understand what the basic requirements, preferences and financial limitations of its clientèle, both in Yugoslavia and abroad, really are.

While the main MEBLO showroom in Nova Gorica is well laid-out, the method of exhibiting is traditional and 'sterile'. (Sets exhibited do not look 'lived in' because they lack paintings and posters on the walls, lighting (eg. near beds), rugs, etc.) Completing the sets exhibited (even with items that are not for sale) enhances the furniture being exhibited and helps buyers make up their minds.

Brochures and documentation about the product range are good, well printed and well laid out.

#### Recommendations

1. MEBLO's policy should change from being production oriented to being market oriented. This might result in the factory producing a wider range of products, but with proper design and value analysis, the number of components can be kept to a strict minimum. The effects on production of this wider range can be further minimized if the component manufacturing and surface finishing and component assembly departments are split into two cost centres and an intermediate storage of components is established.
2. Consideration should be given by MEBLO to develop a complete range of lower cost, knock-down furniture for the local market to cater for the lower-income, younger clientèle which could not afford the traditional MEBLO products. These should be simple to assemble, sturdy and consist of an expandable 'family' so that clients can build up their interior whenever they can afford it. This range of products could be marketed under the label 'YOUNG MEBLO' to make use of MEBLO's goodwill and recognition on the local market, yet differentiating it from the standard range of higher priced MEBLO products. A good example of such a range could be found in IKEA's catalogues.

3. NEBLO should stress the quality of its products by promoting actively the establishment of a Yugoslav quality label for furniture (KAO: FUKIFUKAO) that should clearly indicate the various quality levels (eg. like the Mobelfakta label) and not merely state that it has met the minimum requirements.

4. This quality label should go hand in hand with an exhibition of the testing of a piece of furniture, placed prominently in each show-room, to show to the general public what the label is all about and how it is tested.

5. The current collection does not seem to cater for the type of furniture needed and best suited for summer homes on Yugoslavia's long Adriatic coast, nor does it contain any 'reproduction' (traditional style) furniture. The former could be developed to increase the output of pine veneered case goods, and some solid pine furniture, while the latter could be the starting point for collaboration with artisans who would receive solid wood components and carve and assemble them, to have their products marketed by NEBLO.

6. Also as an immediate measure, NEBLO should organize a national design competition, with an international jury, to interest local designers - both those active in the furniture field and those active in designing in other fields - and to obtain a roster of free-lance designers it could collaborate with. The results of the competition would provide it with some sort of impartial assessment of the strengths and weaknesses of each participant.

7. NEBLO should consider appointing, on a retainer basis, a well known designer active in each of the major foreign markets they wish to enter so as to receive, at regular intervals, technical reports on the trends in design in that market. These reports would complement those of a purely commercial nature hitherto received from the company's agent or representative of those markets.