

Alexander Sinerkin

One of the founders of the Furniture Industry Association of the Ulyanovsk Region, head of the Fort furniture making company, prize winner of and participant in mixed martial arts championships, member of the Ulyanovsk Region's department of OPORA RUSSIA.

In 2011, Alexander began furniture production from scratch. By 2016, he has turned his company into a dynamically developing, innovative and contemporary business. It competes with manufacturers from the neighbouring region producing affordable furniture.

In 2016, the company has hired another 100 employees, doubling its personnel. "We produce economy class dining tables for wholesale buyers. Our company works in three shifts. We have completed a fourth building (a shop of 1,000 square metres), revenues have doubled this year, while our rivals are facing economic problems. And we plan to raise our revenues by another 100 per cent. The strengthening dollar has helped us squeeze Chinese producers out of large wholesale markets in Yakutia and elsewhere in the north."

"Who was behind the idea of creating the Furniture Industry Association in a new format?"

"As part of developing investment projects in the Industrialised Area of the Trans-Volga District of Ulyanovsk, a number of furniture makers decided to join efforts and set up an Association of Furniture Industry.

A year after its launch, the Association signed an agreement with the head of the Administration of the Trans-Volga District to coordinate efforts in developing small and medium-sized business and take part in joint projects.

In the spring of 2015, on a flight from Moscow to Ulyanovsk, by chance I met Sergey Morozov, Governor of the Ulyanovsk Region. We talked about furniture production. He voiced his position clearly: 'The Administration of the Ulyanovsk Region supports small and medium-sized businesses, is ready to consider proposals for joint projects, and approves the idea of companies uniting within their industries.'

We agreed that the Governor would visit our Fort company. During his visit, representatives of furniture companies spoke about their problems. It appeared that 400 furniture makers of various format operate in Ulyanovsk and that we were all having the same problems, challenges, and hopes for growth. The Governor stressed that the solution to the problems faced by the industry would be effective if the newly founded Association of Furniture, Wood Processing Industry and Trade analysed common problems, timely submitting questions to the state and municipal authorities.

Currently, the Association has 20 members. These are companies that gather regularly to discuss urgent issues. The Association's agenda and reports are available to 200 furniture makers.

Today, we can say that we have managed to build relations between the Association and the authorities. We discuss pressing issues, from tax rates to unscheduled inspections by controlling bodies. We invite officials to our meetings, discuss our problems and search for compromises in the real time mode."

"What are the authorities doing to help the furniture makers?"

“The Corporation for Developing Entrepreneurship in the Ulyanovsk Region has programmes for concessional lending and interest rates subsidies. For our business, it is help in acquiring new equipment. They give us these loans. For example, Fort took a 10% loan. We borrowed RUB 2 m. In fact, we will only pay 7% on this loan because the interest rate is reviewed monthly. We cooperate closely with OPORA ROSSII, which has its branches in 25 other countries and helps us penetrate the markets of former USSR republics.

Recently, the authorities have become more attentive to our needs. We voice a problem that arises, set up a working group and launch a monitoring mechanism for resolving the problem. Earlier, we had to search for relevant information from different sources but now, through communication, we gain the experience of our colleagues who have been in similar situations before.

Indeed, this was our goal when we set up the Association: we wanted to have a professional community that could protect the rights of its participants and promote development of companies.

For example, there is a problem of manufacturing in garages. Every businessman has to look for his own way and yet there are very many examples of companies growing from a garage format to become reputable up-to-date manufacturers. We share such examples at the Association meetings.”

“You say you have potential for growth but competition is very strong. Indeed, Ulyanovsk is often compared to Pensa as the country’s furniture making centre.”

“Competition is strong but it is largely raw in nature. It is incompetent businesses that fall victim, while those with strong management skills don’t fear risks, come to occupy leading positions, improving their figures day by day. Analysing retail figures for Europe, I discovered that my company’s tables are a third of the price, which gives me tremendous opportunities for further growth and development. This year, Fort has moved into kitchen manufacturing, an area with even greater opportunities.

When the economy is on the rise, all profitable businesses are divided up and predictable, while in times of crisis, the tired, incompetent and lazy ones go down. Our team is highly motivated and burning with enthusiasm. You know, hardly more than 1 per cent of entrepreneurs are aware of all those support measures I have used. One could go out and distribute leaflets! Or perhaps we should gather them all in a stadium and tell them how many opportunities for growth are available in the Ulyanovsk Region! In our segment, the markets of Russia, the former Soviet republics and other countries are occupied no more than 2 per cent, so there are huge opportunities for growth. Currently we have a turnover of 300 m and I hope we will bring it to 1 billion: then it will get serious. if you have 1 billion, you can get 10 billion, too! I will report my results in December 2016!”