



# When East Meets West



More than ever at this time of year, severe winter conditions hit Ulan Bator, Mongolia's capital. Yet the spirit is excellent for Vitsamo Fruit Juices Management Team : sales are on the rise, competition is monitored closely and major investments on the agenda. Dominique Huret returns to the company visited last year.

by DOMINIQUE HURET

Early 2011, Vitsamo Fruit Juice Company was selected by the European Bank for Reconstruction and Development (EBRD) to benefit from the assistance of the Enterprise Growth Programme (EGP). This programme is dedicated to helping enterprises transform themselves with help of international experts from economically-developed countries.

The EGP is managed on a non-profit basis, utilizing donor funds to support projects with about 50% of funding coming from the European Union. "We could not be more grateful to the Belgian Walloon Region, who has been financing an expert to coach Vitsamo during the last two years. Together with him, we have upgraded our production tools and packaging and developed new

business planning skills essential to compete in our new market economies" says Vitsamo's CEO, Mr. Tserendorj Ochirkhuyag.



Quality fruit juices continue to be a hit in this vitamin deficient country

Multi



Kiwi



Carrot



Apple





**VITSAMO BRAND**

Content:  
0.5L

Type:  
Multi, Carrot, Kiwi, Apple

Advantage:  
It is Favourable to drink multi and orange juice as being heated.



Photos: Vitsamo Fruit Juices



and Vitsamo, the main national player, has to deal with major multinational competitors. The Pepsi bottler is rebranding and repackaging its juice products while the Coca Cola bottler MCS is dropping price on its Minute Maid brand and Apu is launching new products.

With such a fierce competition Vitsamo has to accelerate pace, but guidance is needed. After eight field visits John Schrurs the EBRD expert confirms that the company has changed its approach, from "selling all what can be produced" to "producing all what can be sold".

First top priority: increase the juice production with a factory extension, planned over a ten year period and three major phases. Phase one from 2013-2014 will cover optimization of the PET process, bottling hall extension, process and utilities upgrades. The second phase planned in 2015-2017 will focus on increasing the bottling capacity and storage, when the last phase's attention from 2018 to 2022 will be devoted to additional capacity increases.

A first loan request of 2.5 Mio. dollars has been asked to the EBRD to decouple separate PET and aseptic packaging lines, expanding the bottling

hall and some utilities. A final answer and disbursements are expected for next summer, but in the meantime things are moving. Drastic winter temperatures are preventing drilling and building, but not preparation for equipment investments and plant's reorganization.

Marketing is the second priority, and Vitsamo's talents remain impressive: to meet consumer's trend, a new "Organic" brand is to be launched in a 1, 5 liter reclosable aseptic carton brick pack, with an estimated production output of 8000 liter per hour.

Also on the agenda is a new sea-buckthorn drink, to be packaged first in a glass and later in a PET bottle. In Mongolia, sea-buckthorn is granted for boosting the immune system, fighting cold and flu. Like several other fruit juices, they are often consumed hot.

Mr. Tserendorj Ochirkhuyag Vitsamo's CEO vision is to combine clever marketing based on Mongolian specificity and cultural assets with modern production and practices. "Having an expert from the EBRD EGP programme helped us more than expected: with strategic and practical assistance, it was an eye opener on the business planning process".

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**B15**  
Pomegranate juice

Weight: 0.6L-1.3L

Packaging: Plastic

**Type:** Pomegranate juice contains carotene, phosphorus, calcium, Magnesium, Kali, sodium, citric acid, B and C vitamins; therefore, it strengthens human organism.

**Strength:** Pomegranate juice increases hemoglobin and reduces blood pressure. Pomegranate juice contains citric acid that relieves thirst and refreshes human body as a bio activator without any harmful plan affects. Pomegranate contains lots of estrogen, a natural female hormone. It influences on skin recovery, blood cleansing, and digestion improvement.