

Back on track

Like a football trainer being replaced mid-season after the team falls to the bottom of the standings, new management can often bring new impulses and the will to implement them to an underperforming enterprise. This was the certainly the case at SŽ – Železniško gradbeno podjetje Ljubljana d.d (SŽ ŽGP). Based in Ljubljana, Slovenia, SŽ ŽGP has been responsible for the infrastructure of the country's rail system for decades. After another year of disappointing results two years ago, the company's board moved to replace SŽ ŽGP's top management. Since making the change, SŽ ŽGP has seen revenue jump and the venture has climbed back into the black.



CEO Leon Kostiov has SŽ ŽGP back on track

SŽ – Železniško Gradbeno Podjetje Ljubljana d.d. traces its history back to 1947. Following World War II, the former country of Yugoslavia established a nationwide rail company. A unit in the new company was dedicated to maintaining the railway lines, the switches, the infrastructure and the buildings. "We have been a railway civil engineering company since the very beginning," explains Leon Kostiov, CEO. After communism collapsed and Yugoslavia disbanded, SŽ ŽGP was spun off into an independent enterprise. Today, 79.82% of its shares are held by the Slovenian rail company, while another 21.18% are in the hands of private investors and small owners .

Even though many Slovenians now own cars, the national rail system should play a key role in the country's transportation infrastructure. The reason: it is still the fastest and most cost efficient way to travel between distant cities or to other countries.

After making the management change, SŽ ŽGP began posting better results almost overnight. In 2007, it realised 32 million EUR in revenue and one million EUR profit. This year, revenue jumped to 49 million EUR, with a 3.4 million EUR profit.

Mr. Kostiov gives much credit to the company's 335 employees for helping make the change a reality. "The median age of our employees is 48. They bring years of experience and training to the job, which is a complex one. All of our activities are based on the rail network,

which they know like the back of their hands. We have all the necessary equipment to perform in a thorough and technically correct manner. We adhere to all safety codes and regulations."

The successful projects to its name include adding new track systems, rebuilding platforms, providing separate tracks for freight trains, building rail bypass systems, constructing crossing areas for major roadways and repairing levees.

Mr. Kostiov revealed that SŽ ŽGP is planning to move to a modern headquarters in the coming year,

which will also put the enterprise closer to the main technical station in Ljubljana.

"We truly provide the best connections between Slovenia and neighbouring countries," explains Mr. Kostiov. "We will modernise our technology to keep in step with new trends in rail. We are the number one in rail infrastructure and intend to build on this position." ■

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