



Greening SMEs in the Eastern Partnership (EaP) countries – A regional event

Eco-innovation in SMEs, best practices and lessons learned

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Republic of Moldova

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Case Study: PALIN CONSTRUCT SRL (brand name TEHNOPROFIL)

- **Location – Republic of Moldova**
- **Company Size – 10 employees**
- **Year of Establishment – 2008**
- **Annual turnover – USD 342.800**
- **Sector – retreading tires**

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- **Business Growth** – Starting with the year 2015 PALIN CONSTRUCT SRL owns a retreading factory for tires for commercial transportation, trucks, buses and trolleybuses. The company is also dealing with import and sales of new truck tires as well as repair materials, providing maintenance and balancing of truck tires. The main market for the company is the local one; however with the launching of the new project we will be oriented towards external market as well.
- The **MISSION** of the company: TEHNOPROFIL is created to help save resources of the fleets by offering best practices based on the modern technologies. The **VISION** of the company: To become the best expert in tires whereas the clients will obtain what they mostly need.
- During the last three years the clients' portfolio has increased from 100 up to 400 companies. Much more transportation companies are choosing to retread their tires, because the price for retreading is twice cheaper than a new tire however maintains the same level of security and technical characteristics.

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- **Business Strategy** – Around 40 thousand truck tires are imported to Moldova on an annual basis, 30% of which are the cheap low quality Chinese tires. These tires are completely disposable and cannot be retreaded due to low quality of the carcass. They create a huge “headache” to the companies which procured them as well as to the state in general. In this respect, our main purpose is to convey to the transportation companies that it is better to buy a tire which is a bit more expensive, but can be further retreaded a few times and in a long run the fleet obtains considerable savings.
- Many western countries (USA, Italy and others) introduced special regulations imposing public transportation companies to use up to 30% of retreaded tires in their fleets. Unfortunately, Moldovan state transportation companies are not very open to this kind of cooperation. Based on that, our main task is to convince Moldovan officials of the feasibility of retreading from the economic point of view as well as for environmental benefits.
- Rubber coatings are becoming more and more popular in Europe. Through the environmental program and the purchase of equipment in the near future, we will also produce rubber coatings. Our task is to popularize these coatings in Moldova as well.

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- **Business Model** – As a result of the tire retreading production process we obtain waste – rubber crumb. The sale of this crumb in Moldova is problematic because it is effectively useless. At the same time crumb's export is inefficient due to considerable losses.
- This led to the idea of crumb recycling into rubber paving slabs.
- Thus, in the frame of the ODIMM's (Organisation for Small and Medium Enterprises Sector Development) Greening SMEs Programme, the necessary production equipment for rubber paving slabs will be purchased. Through implementation of this project it will be possible to recycle this waste, allowing to increase the number of retreaded tires, prolonging their life cycle, offering economic savings to our clients, and reducing used tire storage and associated environmental impacts in Moldova.



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- **Product Innovation** – We will produce rubber paving slabs of different sizes, rubber borders which can be applied for arranging stadiums, play grounds, pools, paths and side walks in parks, garages, service centers, commercial areas, schools and many others. The rubber paving slabs can be done in various shapes, colors and sizes. They are durable; don't bend under weight; non-slippery. The life expectancy of such slabs is up to 35-45 years.



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- Through the digitalization of the company's processes, the implementation of a CRM system, the creation of an online store, our company has increased total turnover over the past three years by 30%
- In addition, by launching a project for the production of rubber tiles, we plan to increase trade turnover by another 20%, open additional jobs and continue to reduce the company's impact on the environment.

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