

Good Practice Example No. 7

Module 4: Basics of Financial Management in Small Agribusiness

Beli Bagrem – Sustainable Growth Through Profit Reinvestment

Industry:	Rural tourism, hospitality and traditional food production
Location:	Golija Biosphere Reserve
Established in:	1990
Legal form:	Family-owned business (Entrepreneur)
Business model:	B2C (Business to Consumer), accommodation services combined with direct sale of own food products
Core activity:	Provision of short-stay accommodation and hospitality services, alongside production and sale of traditional food products (buckwheat-based products, dairy, meat, preserves) and wool handicrafts under own brand

Short-stay accommodation and hospitality services “Beli Bagrem,” established in 1990, is one of the leading rural tourism facilities located in the Golija Biosphere Reserve in Serbia. With a capacity of 30 beds and an average occupancy rate of approximately 80 percent, this family-run business represents a long-term example of stable and sustainable rural entrepreneurship.

In addition to providing accommodation services, the Šekler family expanded their activities into the production of healthy and traditional food products. Their offer includes buckwheat-based products such as bread and traditional dishes, sheep and cow dairy products, lamb and beef, as well as vegetables and fruit processed in a traditional way into preserves. They also produce wool-based items such as sweaters and socks. Guests can enjoy these products during their stay and purchase them as branded goods for personal use or as gifts. This diversification of activities strengthens the overall business model and supports financial resilience.

Growing Without Debt: A Model of Financial Discipline

Although market demand indicated a need for increasing accommodation capacity, the decision to expand was not made solely on positive market signals. Before investing in additional capacity, the business conducted an analysis of key financial indicators. They reviewed revenue seasonality, the structure of fixed costs such as utilities, maintenance and labor and assessed the expected return on investment. Particular attention was given to evaluating whether the market could sustainably absorb the increased capacity without negatively affecting profitability or liquidity.

Over the course of three years, investments in capacity expansion were implemented gradually through the reinvestment of retained earnings. Instead of relying on external borrowing, the business financed its growth through internally generated profit. This approach minimized financial risk, avoided additional debt obligations and protected the business from liquidity pressures, which are especially critical in seasonal sectors such as rural tourism. By aligning expansion with actual cash flow and performance indicators, Beli Bagrem ensured that growth remained financially sustainable.

Revenue diversification further strengthened the financial structure of the business. Income is generated not only from accommodation services but also from food production and the sale of branded traditional products. This integrated model reduces dependence on a single revenue source and stabilizes cash flow throughout the year. By serving their own products to guests and selling them under their own brand, the business also improves profit margins and increases overall value creation.

Operating partly as a social enterprise, Beli Bagrem engages women from rural areas and supports local economic development. The owners continuously invest in personal development and skills improvement, particularly in adapting to new regulatory requirements, which also reflects responsible management practice.

The case of Beli Bagrem demonstrates that sustainable development in small agribusiness does not require rapid or debt-driven expansion. Instead, it requires disciplined financial management, careful profit reinvestment, cost control and realistic investment planning. Reinvesting profit rather than increasing financial leverage allowed the business to grow in a controlled manner while maintaining financial balance.

Source:

<https://api.pks.rs/storage/assets/KATALOG%20Uspesni%20primeri%20privrednica%20u%20regionima%20Srbije.pdf>

<https://www.turistickiklub.com/objekat/domacinstvo-sekler>

<https://seoski-turizam-golija-domacinstvo-ekler.wheree.com/>