



Childhood friends and successful business partners: the two owners and managers of Homm Kft.

## Driven by innovation

When Károly Homm returned to his home country of Hungary in 1989 after some time of working and living in Germany, he wanted to use his knowledge of the German language to “do something with travel and language”. His idea: Transporting tourists from and to the airport. Being a carpenter by trade and mechanically generally very skilled, he also started to build his own minibuses, which were scarce articles in Hungary at that time. The idea paid off. Today, Homm Kft., situated in the city of Budapest, is one of the top three players in the private bus sector in the country.

“We have 170 members of staff, mostly drivers, but also service and admin staff,” explains Balázs Tóth, a childhood friend of founder Károly Homm, who joined the company in 1994 and has been co-owner and manager of Homm Kft. since 1998. “We are located in Budapest, where we also have a garage. As the buses are usually stopped and waiting at the end points of the different routes, it is not worth having further locations as such, but we do have offices in Szentendre and Pomáz.” With a fleet of 100 buses and as much as 2.75 billion HUF annual turnover expected for 2013, Homm Kft. is among the top three in its branch of trade not only in size but also in business volume. “We have experienced continuous growth up to

now, with about 8 to 15% each year,” emphasizes Mr. Tóth. “There has never been a regression.” This successful development is partially owed to the perception of the two owners that extra tours alone might be inhibiting growth as they underlie seasonal oscillation. “We were one of the first to offer regular contract tours, taking company staff to work and back,” the manager explicates. “This led to security and projectability as well as causing different cost structures.” Today, the area of contract tours makes up 45% of turnover while tourism is reduced to only 10%. The third main pillar in the company’s portfolio is public transport. “We started to develop this field in 2005 when the state monopoly fell and private companies were allowed to

act as subcontractors,” remembers Mr. Tóth. “Here as well, we were the first in Hungary to make this move.” An important step as public transport today is the most important sector for Homm Kft., making for another 45% of turnover. “By now, we even have contracts with local self-administrations as well as two towns where we are not subcontractors any more but main contractors,” boasts the manager. And the company’s activity is not limited to Hungary. Around 10% of tours are into other EU countries, as Homm Kft. is a subcontractor with Eurolines. “One of our advantages is that we are a team of owners,” Mr. Tóth says. “The two of us make all decisions together. This reduces errors in

reasoning.” Other advantages are the detailed knowledge of the trade as well as the experience Homm Kft.’s managers possess and the fact that they have been well known in the business for quite some time. “The decision on the liberalization of bus transport has been postponed until 2016, but for the future, it is our aim to remain one of the leading actors in Hungarian public transport,” says Mr. Tóth in conclusion. ■

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