

Uncertainty of Russian Markets – How to continue business

Time: 18th March 2015

Place: Scandic Park Hotel, Mannerheimintie 46
Helsinki



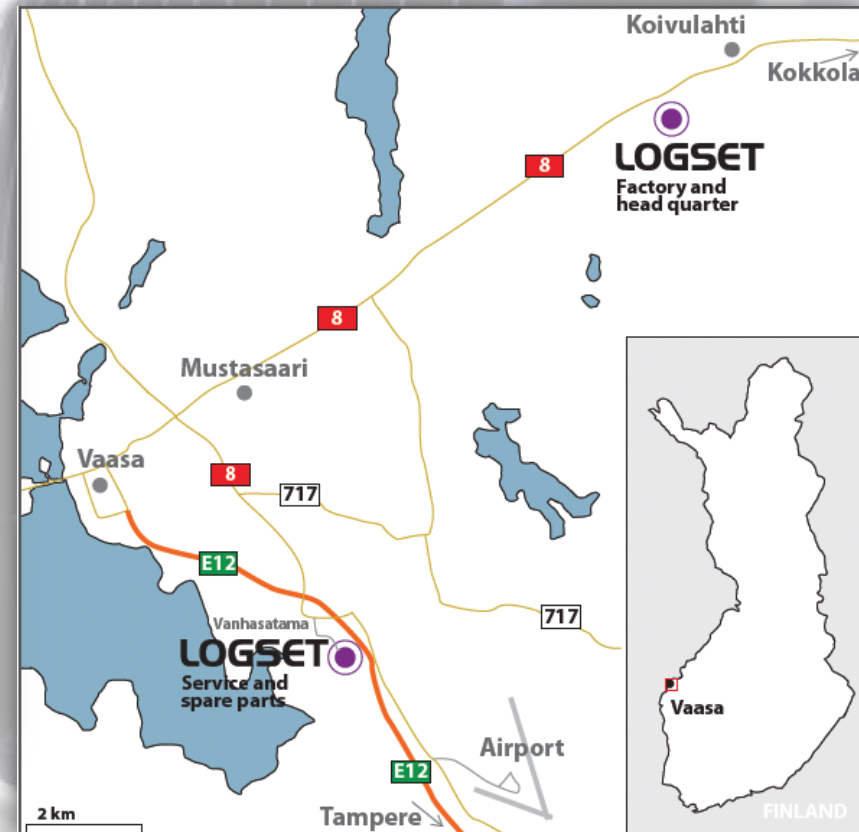
Comments from Finnish company operating in Russia
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LOGSET

WHAT IS LOGSET?

- Logset is a **Finnish high technology company** specialized in developing and **manufacturing forest machines**
- Factory location: Vaasa, Finland



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LOGSET TODAY

- Production:
 - 120 machines per year: 30 harvesters, 90 forwarders, 80 harvester heads
 - 2014: Turnover: 32 meur
 - Annual growth of turnover 30%
- 65 employees
- Full product range



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THE MARKS OF UNCERTAINTY IN RUSSIAN FOREST MACHINE BUSINESS

- End customers are very cautious to invest in new machinery, expectant mood
- Last autumn, the forwarder-harvester-unit cost about 20 million rubles, now more than 30 million rubles
- At the same time, lease financing has become very costly, if not impossible, as well as bank credit rates have risen as much as double
- Negotiations are longer, the price-arguments and financial questions increasingly important
- Even for signed orders, advance payments delayed
- Payments come slower and require often pushing
- ETC. ETC ... BUT SOMETHING POSITIVE AS WELL
- Business of second hand machines, and after-sales services has increased

FOCUS ON CREATING POSSIBILITIES

- Focus has to be on "how to continue business"
- Carry out planning process with Your sales team, dealers and customers: what can we each one separately and all together do to accelerate business
- Build new roadmap based on existing strategy, go to Your sales target through other paths
- Be present in Russia, near customer
- We have found this method successful

ACTIONS WITH CUSTOMER

- Spread positive attitude – it always pays itself back
- Do not wait for business – create it
- Visit every new and existing customers – solve the problems face to face. Discussions are extremely important
- Keep in mind the huge commercial potential – make compromises
- Go through normal business negotiations with customers – try to sign the preliminary contract in first stage
- Keep in mind, that the demand of Scandinavian CTL-technology is very big in Russia – many hundred units per year, and increasing
- Take care for your share

ACTIONS WITH YOUR SALES CHANNELS

MARKETING AND AFTER-SALES

- Educate, train, motivate and get to know even better your sales channels
- Meet your team members, listen them carefully, agree about short term actions, motivate to sell – give strong support, people want to do their best, let them do it
- Go through your marketing material, re-think, concentrate to this year
- Encourage the customer – make purchasing attractive, use the imagination of your and your sales-team
- Go through your after sales operation from factory to the customer
- Find targets to be developed and make corrections
- Find solutions to motivate after-sales team to improve the customer satisfaction

ACTIONS WITH YOURSELF

- Remember you are not guilty to the existing Russian situation – at least I hope so. But You are the one, who can influence to the change in Your business
- Build/rebuild quick and effective short term-actions, but do not forget your Russian strategy. The crisis have been, are, and will always be part of the Russian business
- Be close to customer on daily basis – plan Your common future
- Encourage your sales- and after sales team as well as your sales channels in Russia
- You have build the sales target for this year – achieve it
- Recognize the facts but absolutely be creative
- Take care of yourself



THANK YOU!
СПАСИБО!
QUESTIONS?
ВОПРОСЫ?

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