

RedHead

THE CORPORATE MAGAZINE OF THE REDHEAD FAMILY CORPORATION

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Contents

Main topics A Summer with No Vacation. *Opening remarks by Vladislav Burda* — 2
The Work of Masters — 4

Corporation Leadership - a Service to Others, or Return to the IMD — 48
Tolo Creative Toys — 54
Tennis - a game for leaders. *Antoshka Cup 2011* — 64

Antoshka Antoshka is creating a better future — 68
Independent and competent. *The RedHead children's focus group* — 70

Adizes Through Changes to Results. *How affiliates operate under the Adizes methodology* — 74
Glossary. *Love* — 75

**The Family Business
and the Family** Art and Business — 76
FBN Ukraine Summer Event in Odessa — 82
Family Histories — 88

A Summer with No Vacation

Opening remarks by Vladislav Burda



Who would have thought that after receiving an EMBA degree in May and completing 18 months of training, where I obtained real knowledge on company management efficiency, I would have to deal with issues that are by no means connected with the application of this knowledge, but are related to corporate governance, handling crisis situations, and building a security system?

There can be no doubt that we attained a new level of understanding this summer on how to organize business, establish a security structure, anticipate possible situations, and react more quickly to them.

It is paramount for me that all the divisions operated very smoothly even though I was not as active in the operative management of business in recent months as I usually am and we did not hold our traditional meetings. Despite the disruptions seen in shipments, at warehouses and at the office, our team achieved excellent results in July and August. I want to thank each employee for doubling their efforts in order to accomplish such results.

As for other events, they were planned in advance and therefore all took place. Leadership programs, FBN events, meetings with suppliers, exhibitions – they simply

could not be cancelled even though they were held during a tense time. But all the manufacturers were accepted and all the events were held. I would like to make special mention of the start of the FBN Forum, which strengthened the friendship of the owners involved in FBN Ukraine.

As regards the first External Board of Directors of the RedHead Family Corporation, it will be held on November 1-2 in Singapore immediately following the FBN Summit. Final approval has been granted for the four directors who will join the Board: Joseph Astrachan, Reinout van Lennep, Hermut Korman and Vadim Margulis.

We are gradually growing accustomed to the new “fun” style of our corporation. We have begun by changing our image, entourage and business cards to the RedHead style, and next year we will start actively marketing our brand on the market.

Another significant event of the past year was the appearance of new displays at our museum. Two of them provide a fairly clear idea of who we are today – which businesses we own, the volume and what kind of people manage the key areas of the corporation. We have come up with 10 principles for the RedHead team, and they are also on display on one of the walls of our museum.

10 PRINCIPLES FOR REDHEAD TEAM

- 1 Aim high. Lead by example.
- 2 Deliver what you promised. And better on time!
- 3 Exceed expectations, do a little more.
- 4 Be responsible for your own health (mental and physical).
- 5 Balance effectiveness and efficiency. Be intolerant to waste of resources (yours, company's and society's).
- 6 Be responsible to have right people in your team. You need the best people to execute on the best strategy.
- 7 Support transparency and accountability on all levels.
- 8 Be authentic. Find your own way. Do what you can do best and what is natural for you.
- 9 Move company to Prime by developing yourself.
- 10 Nurture mutual trust and respect around you.

THE WORK OF MASTERS



REDHEAD FAMILY CORPORATION AWARDS THE TITLE MASTER OF SUCCESS TO AN EMPLOYEE FOR OUTSTANDING RESULTS ACHIEVED OVER THE PREVIOUS YEAR. WE MET WITH SOME OF THE “MASTERS” OF 2010 IN ORDER TO DISCUSS KEY EVENTS IN THEIR AREAS.

IN ADDITION, ALL FIVE WINNERS TOOK PART IN THE NEW 15 PROJECT LAST YEAR. THEY WERE THE ONES WHO SHAPED THE RULES OF THE COMPANY’S NEW CORPORATE

CULTURE, SEEKING OUT NEW WAYS AND METHODS TO DEVELOP AND IMPROVE THE EXISTING BUSINESS MODEL. IT WAS IMPORTANT FOR US TO HEAR THEIR VIEWS ABOUT WHAT ASPECTS OF THE VALUABLE EXPERIENCE GAINED FROM THE NEW 15 PROJECT ARE BEING PUT INTO ACTION IN THE REDHEAD CORPORATE BRAND AND WHAT ELSE NEEDS TO BE DONE SO THAT PEOPLE AT THE COMPANY CAN FEEL THEIR SOLIDARITY IN CREATING AND ESTABLISHING A “DREAM COMPANY.”



BORIS VILKISKY,
Retail Chain Director
for the Southern Region
*Master of Success golden diploma
in the Flagman nomination (2010)*

For me, a flagman is someone who leads the way and demonstrates by example how to do things, what to do, and where to go.

If you make yourself the focal point as an all-knowing boss, there will never be any “fun.” Equal relations are a must. Subordinates should feel that you are creating a single team together, that you would be nothing without them, and that they are important to you. And then they will follow you.



When I give awards to store directors, I am rewarding them for their effort and for thinking not only about their particular store, but for suggesting changes and improvements that can be applied throughout the entire region at all the chain's stores.

If a person is a leader in life and also receives certificates for leadership, at some point the person no longer understands why he/she is being awarded. After all, the person isn't making any special efforts; that's just his/her life philosophy. "I'm always like that."

Key milestones for the retail chain of the southern region

2011



Renovated Antoshka (Vuzovsky)



Antoshka store (Bakkara) following reconstruction, summer 2011

Strengthening existing positions in the southern region. Rebranding two stores in accordance with the "fun" concept

The renovated Vuzovsky store is the retail chain's first-born. It is now a fun store and not just a shop designed with the corporate colors. Bakkara, one of the leading profit-makers in the southern region, has undergone major overhauls, installed new equipment, altered the store planogram, and created a new layout for the footwear category (using the knowhow of Vadim Safonov, the director of footwear business development).

Boosting profitability

The goal is to bring business into line with efficiency indicators. Salaries and internal costs should correspond to the level of store sales. Salaries made up 5% of turnover in April-May and 4% in June, which is in line with the normal levels.

I am planning some actions for next year to develop our chain due to the fact that new shopping centers are likely poised to open in Odessa.

RedHead's values



The NEW 15 project focused on two fundamental questions: What should retail be like? What should the company be like? Given that retail is currently the “face” of the company, these two questions can in fact be combined into one.

The development of retail is directly linked to how the company positions itself and how it is perceived in the outside world, above all emotionally.

The corporation's new name is a continuation of the values which the owners instilled in the company from its inception. The image of RedHead as a cheerful, fun character probably better applies to the company's retail division than to any other division.

The retail development concept of Europroduct, and now RedHead Family Corporation, long before the emergence of the new corporate brand and its values, set the goal of creating and providing positive emotions for the children and parents who visit Antoshka as well as ensuring they have a fun time and are entertained at our stores. This is ultimately what has been implemented in the services division.

We are not unique as a commercial operator. A customer can choose where to buy the food and things he/she needs – at the market, at our store or at another store. But the emotional component of shopping with us is where our advantage lies. It was established by the company's founders at the first Antoshka stores, and we are trying to support and develop it today. We try to operate in a way so that customers who visit Antoshka feel like they have been taken back to their own childhood. Creating recreation areas as well as a cheerful store design and even providing pediatrician consultations all serve this purpose.

There is nothing more important for people than emotions

The corporate culture isn't capable of changing in a matter of a few months – this is a rather modest timeframe. At the same time, we aren't talking about dramatic changes: we have always had “fun.” The most challenging thing to change has been the mindset and vision... And the Europroduct name, not RedHead, continues to be used in most communicative settings.

When we proposed our vision of what the company would look like in 15 years at NEW 15, I was relying on my own perceptions and vision of retail development. I took what I thought was important and discarded what seemed excessive, and from these elements I constructed a vision of the company for the next 15 years of its journey.

RedHead is now becoming synonymous with corporate culture for me. But in order for the values of the new corporate brand to be realized and embodied, a system of implementation is required that will permeate all levels of the corporation – from the owners to the technical staff.

For me, an example of the ideal corporate culture is when a janitor at NASA, when

asked what he does, replies, “I build spaceships.”

When a cleaning woman at any of our stores is asked what she does and replies, “I create fun” or “I provide positive emotions,” and not “I pick up trash,” then we will be able to acknowledge that our corporate culture is running at 100%.

One of the goals I have set for this year is introducing and spreading this corporate culture to the maximum number of employees in the southern region. How can this be accomplished? When the entire lifestyle and the entire style of business is reconfigured around a “fun” style. When a person doesn't say, “But this is how it's done,” but rather “That's so much fun!”

I don't know how to accomplish this. It's probably more challenging than developing a business plan – after all, we draw up a plan based on specific figures and facts. Here we're dealing with people and culture... This is essentially a question of “how to change the culture of the Ukrainian people.” You have to start with yourself first of all. This is a daily and minute-by-minute process.



TATIANA SOTSKAYA,
Business Development
Director of Services
*Master of Success silver diploma
in the Visionary nomination (2010)*

Services are the only thing for which we can make Antoshka private labels, on which we can place the “Made in Antoshka” label. They involve unique personnel who work at the very roots of the division. Services are also the vivid emotions which children and parents receive at our stores as well as a growing part of our revenue.

Professionalism and experience come with time. Skills can be acquired. But the passion, emotion and ideas that are so important in our category can only be innate; they must already be present in the person.

Today parents understand that a nice fashionable haircut for a child or a professionally hosted children’s birthday party are experiences worth paying for.

This year will mark six years since I joined the company. I started out working at Mega-Antoshka. Alla Alexandrovna (the director of the Mega-Antoshka in Odessa) introduced me to the economics of the services category. She said, “We invest a lot of funds into providing services, yet earn so little... If only turnover for services could increase by five-fold, then they would pay for themselves.” Today turnover in the services category at Mega-Antoshka is 25 times higher than it was at the time of our memorable conversation. At the same time, the key objective for services remains attracting customers as well as generating cash flow, and not profit.

Key milestones for the services development division in the Antoshka chain

2010 Volume of services category

Services at the Antoshka retail chain (offered at 17 stores)





Play area at Antoshka-Pobeda
(Dnepropetrovsk)

2010 was the second year that the services division has existed as a separate category within retail. Since the opening of Mega-Antoshka in 2005, where services were included in the shopping center’s operations, services have appeared sporadically in other regions depending on the size of a new store and the determination of the regional director.

At present, services are present at 17 of our stores. The Mega-Antoshka in Kharkov performs 50% of the plan in the services category.

The play areas at our stores are split into three groups – image, i.e. totally free of charge as at the Antoshka stores in Lvov; play areas with a token charge (from 5 to 10 hryvnia); and large play areas that require payment and generate income.

At the 17 stores offering services, we have four cafes with on-site kitchens. They are currently increasing their capacity and serving neighboring Antoshka stores in their cities. The Antoshka store at the Apollo Shopping Center in Dnepropetrovsk is a pioneer in this project.



Beadwork lesson at the art studio
(Mega-Antoshka, Kharkov)



Expectant Mothers School course
at Antoshka-Pobeda (Dnepropetrovsk)

Establishing a team of supervisors in the services category and developing a pediatric consultation service

In 2010, I managed to select and organize a team of supervisors for services similar to any category in our retail. It’s essential for this to be handled by a person who senses and understands the specifics of the region and understands what the customer needs.

The Lvov branch was the first to have a services supervisor. In selecting an employee for this position, we focused on the person’s ability to combine the workload he/she was already handling at the office with the desire and initiative to acquire new knowledge for work in services.

SERVICES CATEGORY SUPERVISORS

Lvov branch	Irina PARVASYUK
Dnepropetrovsk branch	Viktoria VOLOSHINA
Kiev branch	Yelena GUZHVA
Kharkov branch	Yelena GEDERIM

In Lvov, and then in Dnepropetrovsk and Kharkov, we agreed with the regional retail directors that we would not proceed based on the principle of putting a single supervisor in charge of two divisions – furniture and services. The services supervisors are above all imaginative and proactive employees who think creatively and have potential for growth as a division leader in the region. For instance, Viktoria Voloshina in Dnepropetrovsk is a pediatrician who teaches classes at the Expectant Mothers School and is simultaneously a services supervisor. She has enough energy to take on multiple big projects all at once and is a continuous generator and implementer of many ideas. Irina Parvasyuk combines her job with the position of advertising manager. Yelena Gederim is the art director at the Mega-Antoshka in Kharkov. And there hasn’t been any need for changes at the Kiev branch, as Yelena Guzhva is currently doing an excellent job of being a supervisor in both the furniture and services categories.

Over the last year, Irina Yatsun and I have organized a pediatric consultation service on the core of the pediatric consultations that have long been offered at Antoshka stores. We have structured the work of this division and aligned salaries after first determining the reasons why our pediatricians were leaving Antoshka for other areas and becoming medical representatives.

2011



Family Club member at Mega-Antoshka (Kharkov)



Expectant Mothers School at Mega-Antoshka (Odessa) – one of the image services

The development of the services division as an example of social entrepreneurship

A brand new play area opened in Dnepropetrovsk in spring 2011 at one of the Antoshka stores that relocated last fall. We call it the “transformer zone.”

There are several areas in this room separated by curtains. These areas are intended for specific groups: there is a play area for children aged 5 and younger and an area for slightly older children. Right next to the transformer zone is a hall where parents and children can eat separately. While there is no actual kitchen in the store, birthday parties can be held using the resources of the Antoshka store at the Apollo Shopping Center. Parents place an order, while Antoshka-Apollo processes it and then delivers it to Antoshka-Pobeda.

The Expectant Mothers School classes are held in this same area. Having the women and pediatricians located in an environment isolated from the shopping floor is highly convenient. Thanks to the comfortable conditions at this Antoshka store, such services as the Expectant Mothers School will grow into an income-generating segment in the future. In addition, we have a highly professional pediatrician and gynecologist working there, Svetlana Moroz, and her lectures, which deal not only with childcare but the actual birth process and preparations for it, are an additional value which the women at the school receive...

At present, there are Expectant Mothers Schools operating in Odessa (one at Mega-Antoshka), Donetsk, Lvov, Kiev and two in Dnepropetrovsk (Apollo and Pobeda). The Expectant Mothers School in Kharkov charges a fee, but it’s more than a school – it’s a full-fledged family club. During a lecture on social entrepreneurship, Julia Hieber told us that when a service is free, it has no value in the eyes of the customer. But if a fee is charged – even the smallest of fees – it will immediately attract the proper audience segment. It is worth noting that Antoshka discounts (5%, 10%, 15%) do not apply to the services category. This once again confirms that parents are willing to pay and value what we offer them. Because the influx of children keeps growing day by day...



RedHead's values

The greatest example of the embodiment of RedHead's values is the family of the company's owners and founders – Vladislav Burda, Nina Galina and their children.

Thanks to them, family values – both in the global sense and for each employee individually (his/her own family) – are the highest priority, and this is strongly encouraged by company management.

And just like in a real family there are no major secrets here – Vladislav Burda shares his knowledge with all employees, telling them, for example, about the reasons for changing the company's name and, moreover, involving everyone and giving each person an opportunity to state his/her opinion. There are few managers who continuously seek to further their education and take everyone else along with them as Vladislav Burda does. And I haven't heard of any other companies which invest as much in training their employees as we do.



IRINA BALASHOVA,
Supplies Division Director
Master of Success silver diploma
in the Master of Impact nomination (2010)

We prepare for visits by suppliers ahead of time, jointly planning a schedule of meetings with our colleagues from distribution and retail.

The formal part of the meeting includes a review of the situation in the country, on the market, and at our company, a visit to Antoshka stores and our distribution clients, and a discussion of cooperation terms. The supplier, for its part, presents new products and development trends at its company. Despite their official status, the meetings are held in a friendly and supportive atmosphere, which promotes an exchange of ideas on brand development and ensures positive cooperation for the future.

We devote a great deal of attention to the unofficial part of the supplier's visit. Indeed, following active negotiations, relaxation not only provides our guests with a chance to clear their minds, but also to share news and experience, as well as learn about the city, its culture and national cuisine.

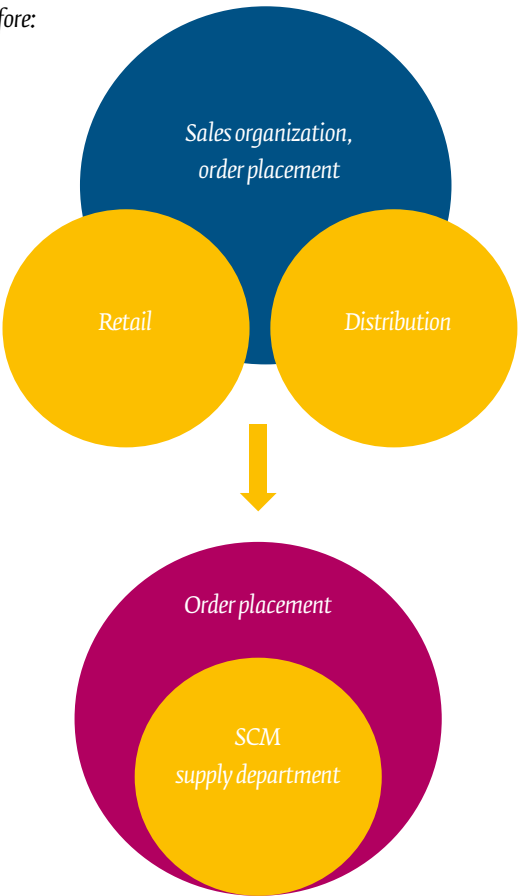
Thus, we try to position our company as a reliable, promising and hospitable partner for the supplier. Often following their visits, the suppliers' views about our country and the situation here change dramatically for the better.

Key milestones for the supply department

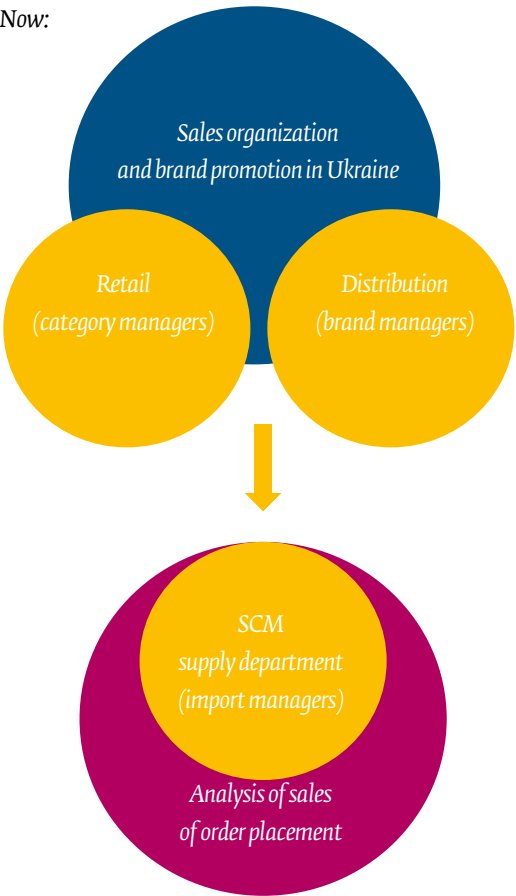
2010

Transferring the order placement function from retail and distribution to the supply department for toys and furniture

Before:



Now:



Starting in 2010, fundamental changes have been made to the work of import managers. In the past, we received orders from retail and distribution, placed them and managed them – we discussed order capacity, prices and the delivery deadlines. Now the import manager handles order preparation and the collection of data. The function of placing orders has been fully transferred to us. To a large extent, this applies to import managers in toys and furniture.

These changes are connected to the change in the structure of distribution, where there are now brand managers who work more with development and brand promotion, while everything related to the actual order is handled by the supply department. The order is made on the basis of the specifications compiled by brand managers. The specifications include item replenishment, while the import managers review analysis and warehouse inventory as well as analyze sales dynamics and decide when exactly the product should be sorted. Each order placed with us is approved by the financial department – analysts examine how profitable an order is.

We have established a synergy team jointly with representatives of distribution and retail, as part of which we try to find the most effective ways to compile orders and promptly fulfill them. After all, it is well-known that the seasonal factor plays a role in such areas as toys and furniture. If we miss out on some aspect of the order placement, we miss out on the season.

I CAN'T SAY THAT THIS HAS ALL BEEN EASY. BUT IT IS VERY INTERESTING, AND THE PEOPLE WHO ARE ACTIVELY INVOLVED IN THESE CHANGES SEE HOW THEY THEMSELVES ARE ABLE TO IMPACT THE BUSINESS PROCESSES AT THE COMPANY. WHEREAS IN THE PAST WE WOULD RECEIVE A PREPARED ORDER AND SIMPLY MANAGE ITS SUBSEQUENT JOURNEY, NOW CREATIVE INITIATIVE IS ALSO INVOLVED. PEOPLE UNDERSTAND THAT MORE FUNCTIONS DON'T SIMPLY MEAN MORE RESPONSIBILITIES, BUT ALSO A GREATER INTEREST IN WORK.

2011

Consolidating the new functions of the supply department

The transfer of order placement functions to the supply department took place in September 2010, but the working processes still require some adjustment. Therefore, for us the current year will most likely become a year for consolidating these new functions of the supply department.

We are developing a mission for software that will enable import managers to handle order placement more efficiently. But for now our employees take all orders manually using Excel tables.

Creating a Walk of Fame for suppliers

We are working on a Walk of Fame for our key suppliers. It will be constructed in the form of posters and will be placed on the first and second floors of our building.

We have developed this idea jointly with Dmitry Burda, who underwent an internship at the supply department. He suggested the format for the posters and began contacting suppliers to request the necessary information from them. This work continues today – each import manager gathered data on his/her area and this data was then creatively processed and compiled.

We are currently in the process of approving the format for the Walk of Fame and we will soon be prepared to unveil it. For each supplier, we plan to compile key information about their brand, the history of their relations with our company, any testimonials from representatives of the supplier if available, and photos.



With a Tolo supplier, May 2011



With a Playmobil supplier, August 2011



RedHead values

Our new corporate brand has expressly implemented the idea of a nice, succinct name, which our company should have. It's a name that unites the different areas of the company and reflects what the company does.

In order for RedHead to start being associated with childhood and entertainment in our country, we need to put forth efforts and hold targeted events. We must show that RedHead consists of Antoshka, Daniel and all the children's goods we distribute in general. For our foreign partners, however, I think the selection of this name is particularly indicative as it highlights the essence of the changes associated with the awareness of our corporate values.

I reckon that at the central office, in our "Sunny City", the idea of "fun," which was hatched by the owners quite a long time ago, has taken shape. These ideas were established back during the design process – they consist of large offices and a bright design of the hallways. Our guests who visit us for the first time are truly amazed by it.

The people working at the corporation are just as positive and committed to the jobs they are working on as the people who established the business.

I would like more joint events! For now we have only the New Year as a general corporate holiday. We only celebrate other dates at the departmental level.

During the NEW 15, we were probably thinking about ideas that are too groundbreaking and would take a long period of time to implement in addition to major resources.

We dreamed of having our own amusement park as well as providing more "fun" at our stores. As far as I know, our marketing department is currently working very hard in this area.

Many of the people who attended the final meeting paid close attention to what Nina Galina said about the need for us to become brighter ourselves above all else. And this can be expressed in everything – in clothing, accessories and, of course, our life philosophy.



IVANNA ANDRIANOVA,
HR Manager
(acting Director of the HR Department)
Master of Success golden diploma in the
Breakthrough of the Year nomination (2010)

I want to see results in any activity: I can carry around ideas about a new project for days, constantly thinking over all the new options for its implementation regardless of where I am – at work, at home or with friends.

For me, the practical outburst of creative energy is very important. It's essential for me to always be doing something with my hands: it could be inventory for training, decorative snowflakes for the office, or a collage for the presentation of a new department.

There should be inner satisfaction from the result achieved – you fulfilled the task and performed it well.

Number of training sessions and participants



1.5-meter flip-flops made by Ivanna Andrianova – inventory for the next training session



Even during the phase of screening employees for the company, we look at how similar their values are to ours and whether they could integrate into our culture and become a part of our world. There is a vital need inherent in people like us to help others.

67

candidates
were found and hired
in 2010 to fill vacancies
at the central office.





Key milestones for the HR department

2010

Training of retail sales personnel

We tend to have rather young people working at our stores. For many of them, this is their first job, their first team and their first corporate family. They initially come in with one goal – to sell. Our goal at the training sessions is to show them that they are involved in a greater and very noble cause – making children and their parents happier. It’s very nice to hear from Antoshka directors about how their employees return from the training sessions with an entirely different perception of their work and are subsequently more conscious of their mission.

Irina Senina laid the foundation for training retail personnel, Natalia Muravenko took over in 2008, I joined the project in fall 2009, and it was only in 2010 that the training system was brought on stream in all the regions.



Introducing an individual development system for sales employees through coaching

Many of the long-tenured employees who use the proper phrases and techniques in their work do so unconsciously. Through individual interaction with an experienced employee, a coach can help him/her to become aware of the skills and abilities that can be used much more effectively and then imparted on others. A young employee doesn’t have to wait several years to build up his/her own experience, but can make use of effective methods of interaction with customers right away.



Based on the coaching materials used by retail trainers from all the regions, we issued a Book of Best Solutions, which contains the most useful knowhow of our sales gurus. The release of the Book of Best Solutions was preceded by a series of monthly wall posters that were sent out to all of the chain’s stores. The posters illustrated typical situations involving interaction with customers and the most effective models for communication, suggesting scenarios for multiple purchases that would help the staff in dealing with customers.



2011

The corporation is setting up a unified training center

What we previously referred to in the company plans as Antoshka University can now be called the RedHead Corporate University. All the knowledge accumulated by employees of each division has been compiled here. In order to streamline this knowledge, we are planning to set up a section on the corporate portal that will be devoted to training at the corporation.

The section will definitely include a calendar of training sessions. Any employee will be able to choose the required training program and sign up for a group at a time that is convenient for him/her.

Of course, we are also planning to set up a separate room for our university at the central office and design it in the corporate style..

Development of the Talent Pool

As part of the creation of the Corporate University, a working group is already actively engaged in drawing up another project – the Development of the Talent Pool.

There are numerous reasons for this project, but the main ones are:

- 1. To retain talent. To form and develop a “gold pool” of employees who are capable of growing professionally and have a desire to do so. It is also needed to fill vacancies at the corporation quickly and with high-quality personnel. A culture and environment need to be created for the development and growth of the “gold pool” in order to bring us closer to the honorary title of a “dream company.”
 - 2. To effectively manage the filling of target positions. This approach lowers the risk of an outside candidate being a poor match for the company in terms of corporate culture and values, reduces the adaptation period, and improves efficiency as a result.
 - 3. To reduce the amount of time and money spent on searching for and hiring outside candidates.
- This is a rather vast and long-term project. The retail department is serving as the pilot for the project. We are currently in the process of developing procedures for employees to enroll in the company’s talent pool.



RedHead Values

I believe it is vital to develop and strengthen innovation and efficiency at RedHead. This will improve competitiveness, which is particularly important given the economic and political situation in our country.

Competition for high-quality personnel among employers is currently much higher and more acute than competition between the potential employees themselves. Employers fight fiercely for talented people who are capable of bringing energy, passion and creativity to the work place every day. Therefore, it is crucial to identify the available talent, develop it and create conditions for it to grow.

A relatively flexible schedule as well as interesting and intellectually stimulating work highly contribute to the development of such qualities, but in no case should work be exhausting and routine. Initiative, creative ability and new creative ideas should be encouraged. Such qualities are on display in “horizontal” professional relationships, where relations are built on an equal status.

It is essential to create a fun atmosphere at the company in order to develop creativity. This can be done with all sorts of corporate events, trivia games and contests, which stop people from focusing on problems as well as their daily and professional routine and opens new opportunities for theirs fantasies and dreams to take flight.



NATALIA BAKHCHIVANZHI,
Marketing Department Director for the
Antoshka children's supermarket chain
*Master of Success silver diploma in the Master
of Communication nomination (2010)*

NATALIA BAKHCHIVANZHI WAS ALSO ONE OF THE FIVE “MASTERS.” WE SPOKE FOR A LONG TIME ABOUT THE NEW AREAS OF COMMUNICATION THAT ANTOSHKA HAD SUCCESSFULLY MANAGED TO DEVELOP OVER THE PREVIOUS YEAR AND THE POSITIVE CHANGES THAT ANTOSHKA CUSTOMERS AND EMPLOYEES COULD EXPECT TO SEE THIS YEAR. I INTERVIEWED HER ON JULY 13... TEN DAYS LATER NATALIA PASSED AWAY. HER THOUGHTS AND MESSAGES FOR HER COLLEAGUES WILL SERVE AS THE FINISHING TOUCHES ON THE OVERALL PICTURE CREATED BY THE “MASTERS OF SUCCESS.”

Antoshka stands for enthusiasm, fun and positive emotions. When you say Antoshka, there is immediately a flash of yellow and orange colors and a feeling of warmth... This is what I feel when I hear the word Antoshka. And I would like for our customers to have the same association: you say Antoshka and feel warm right away.

Both last year and this year, working with the customer is our number one goal.

Our customers are no longer making purchases just for the sake of buying things and have now begun discussing the purchases with their child. The purchase process is becoming more sensible due to the fact that parents are involving their children in it. The children of today are willing to learn about money and how it should be spent.

Key milestones in the promotion of the Antoshka chain

2011

Discounts are becoming increasingly burdensome for us, and this is pushing us to develop a new loyalty program.

Business is becoming tougher today. We have been forced to revise the terms of the discount in our discount program for customers, who have earned discounts of 5%, 10% and 15%. These discounts are becoming increasingly burdensome for us, and this is pushing us to develop a new loyalty program.

The loyalty program will be based on the segmentation of our customers. We will start with the first of five planned groups – mothers with children under age one. Based on an analysis of monthly purchases, we will suggest that a mother purchase what she needs for the next month at a lower price. In order to do this, she has to meet several conditions in the current month. Thus, by making certain purchases today, mothers can create privileges for themselves tomorrow.

Once this loyalty program is fully developed, we plan to assemble an experimental group in Odessa from among our customers and involve them in further improvements to the program.

The purpose of this event is to show that the discount card isn't the only way to save money. We will give the customer the opportunity to choose what is more preferable – a discount program or a loyalty program.

Cooperation with leading film distributors

Inna Rengach has reached an agreement on cooperation with two major film distributors in Ukraine, which rent out cartoons and children's films. One active channel in this cooperation has been the Antoshka website, which is supporting the campaign at the actual stores, where promotions, drawings and contests are being held. Prizes consist of free tickets to premiers or licensed toy characters. One recent example of successful cooperation with the distributors was a promotion for the release of Cars 2, as part of which Disney provided the prize.

Developing the Antoshka website. Popular Internet forums for mothers have suggested we exchange banners.

Our updated website now has an administrator. We have discovered a huge communications channel. At present, we are the favorite clients of Google and Yandex.

We have found that Facebook and VKontakte are the most popular social networks for our customers – mothers. These are the social networks on which we have been actively promoting our Antoshka website. Several popular forums for mothers, where the number of visits totals 15,000-20,000 per day, have come to us with a proposal on exchanging banners.

One of the priorities in training sales personnel is to accumulate all the experience of retail and distribute it equally

Some features of one region may be more developed than those of another. Each retail employee must have access to all the accumulated knowledge. Such universality makes it possible to balance out the quality of service at our stores and subsequently enter other markets with this knowledge.

Jointly with the HR department, we are preparing to implement the project long known at the company as Antoshka University. This involves collecting all the materials and programs for training sales personnel that have been developed by our HR specialists. Employees who have undergone training at Antoshka University will receive diplomas confirming their qualification. This educational project will enable beginners to learn effective methods for working at the store and adapt to the internal atmosphere of Antoshka more quickly.



Retail training session, summer 2010

We take part in the social activities of our partners and are becoming organizers and partners of socially significant events ourselves

Since 2010, we have been developing another new area – involvement in municipal, family, sporting and cultural festivities. With a comparatively modest budget for gifts to participants, we generate a great response in the media, support among municipal officials, and loyalty from our customers.

Whereas until recently such events involving Antoshka were held in Kiev and at other company affiliates, this year we are preparing to hold social events in Odessa. One such event will be the Lego Construction joint project: the Ukrainian office of Lego asked us for help in hosting the festivity in six major cities. It will be a two-day event with a clear scenario and structure. Lego will provide the Lego Construction participants with themes based on which children will build objects in central parts of the cities over two days, such as a Lego Port, Lego Spaceport and other structures. Antoshka will handle the entire emotional component of the event as well as organize a press conference.



Lidia Furmanova (Lego-Ukraine) and Inna Rengach (RedHead) at the Lego Construction in Odessa



RedHead Values

The values of the new corporate brand which we presented at the annual meeting are consistent with my own vision for retail. We are all so “fun” here, ready for any craziness with no fear of the unknown, and a little dreamy. I think most of my colleagues – the retail employees – would agree with this.

I would like for all of us to feel an irrepressible desire inside to create a happy country for childhood and for this desire to permeate the entire company and all the divisions that would like to become an irrepressible, happy community of people inspired by one goal.

But for now... amidst all this “fun” we are having, we still remain “departments!” I feel there is a sharp contrast between this word and what we do. When we introduce ourselves at business meetings, we don’t say we are from the “retail department” of the Europroduct Concern. We say that we are from Antoshka. Smiles appear immediately, and the negotiations then go smoothly.

When we say our company is a family business, it’s not just because the owners are husband and wife. To me, family means focusing on a common goal. I would like our company to be like a family in this sense. Of course, it has a hierarchy, and each person has responsibilities. But there’s something more important. You know how parents, when gauging their kids’ friends, are

interested in whether they are from a good family? That’s what they people should say about us, about RedHead: “They are from a good family.”

I think it would be worthwhile to involve our own kids in our work. Bring them in to our offices and consult with them on design, for example. But, more than that, I think children should be directly involved in the discussion of projects! With their candor and spontaneity, they could tell us what is interesting and fun.* After all, we look at projects from a completely different position: will it pay off or not, how quick is the return on investment, how many customers will we attract with this promotion, what will our average purchase amount to? We have been corrupted by commerce. Children could suggest a truly fresh solution and lead us to real innovations.

The children of today are growing up much more quickly than the previous generation. They are developing and socializing more quickly. And as part of this social shaping, children need to be instilled with the proper attitude: you should share your knowledge, talents and the best you have to offer and receive the same in return from others. Then the world will be a better place. Then the notion of individuality, which has been distorted today (“that’s only mine,” “this concerns me, but this doesn’t”), will disappear.

** Read more about one example of children’s involvement in the article “Independent and Competent” in the Antoshka section of this issue*



Leadership – a Service to Others, or Return to the IMD

IN LATE MAY 2011, FIVE EXECUTIVES FROM THE REDHEAD FAMILY CORPORATION TRAVELED TO SWITZERLAND TO TAKE PART IN THE IMD ADVANCED HIGH PERFORMANCE LEADERSHIP PROGRAM TAUGHT BY GEORGE KOHLRIESER, A SPECIALIST IN HOSTAGE NEGOTIATIONS WITH 30 YEARS OF TEACHING EXPERIENCE AT THE IMD.

VLADISLAV BURDA, SERGEI BARANNIK, VYACHESLAV BICH, SERGEI FILYANIN AND VADIM ORLOV ATTENDED THE INTENSIVE FOUR-DAY PROGRAM ALONG WITH TOP EXECUTIVES OF OTHER COMPANIES FROM TEN COUNTRIES. IT'S RARE FOR A COMPANY TO SEND MORE THAN ONE REPRESENTATIVE, BUT REDHEAD WISHED TO MAKE ITS AMBITIOUS INTENTIONS KNOWN IMMEDIATELY.



“United Ukrainian Emirates: (from right to left) – Vyacheslav Bich, Sergei Barannik, Vladislav Burda, Vadim Orlov, Sergei Filyanin and Abdulaziz Bin Saif – participants in the IMD Advanced High Performance Leadership Program, 2011

BETTING ON THE OUTCOME

Most of the case studies in the IMD Advanced High Performance Leadership Program are held in small groups of 5-6 people. The RedHead executives did not cross paths in these groups except for in two practical exercises.

The first was a sporting event in which the five RedHead managers were joined by the owner of an Arab company, prompting the group members to call their team the “United Ukrainian Emirates.”

The exercise for each small group consisted of the following:

Two group members swung a jump rope and the other four had to jump over it simultaneously.

They spent 15 minutes preparing for the exercise, during which the team had to make a bet on the number of jumps in the competition.

If they managed to match or exceed their bet on the number of jumps, the team was declared a winner.

The United Ukrainian Emirates managed six consecutive jumps during the preparations, although they decided to make the best almost twice as high at 11 jumps.

And they met their stated goal!



EYES WIDE SHUT

The second case study the RedHead leaders participated in together was aimed at team interaction and mutual understanding under extreme conditions.

The five group members were blindfolded and a certain number of figures of different shape and color were placed before them. They were told that the set lying on the table before them was missing two figures. Blindfolded, the group members had to determine amongst themselves which two figures – both by color and shape – were missing. During the exercise, they were allowed to speak with each other and ask the coach questions about the color of the different figures.

The RedHead team completed the task in a record 26 minutes, while the limit was 37 minutes.

Sergei Barannik: It was an exercise in communications, how we understand and hear one another. We started with each of us classifying the figures. We made a few mistakes: we misunderstood one another because, while touching and describing these figures, each person paints a certain picture in his/her head – someone might call it a person, while someone else thinks it's the letter P. Therefore, it was essential to describe the figure clearly and listen to the opinion of your colleague in order to match up these two pictures.

Vyacheslav Bich: Each person was given 5-6 figures. We couldn't see what they were. We could only figure it out by touching them. There should have been six of each figure, but there were two missing. We had to determine exactly which ones were missing in total darkness. And there were no clues. There were three or four groups and our team finished first. It was a great experience – a model for teamwork and team interaction.

Vyacheslav Burda: This exercise revealed that the behavior typical for people working in business also manifests itself in a game like this. For instance, Sergei Filyanin took over and proposed a strategy for selecting the figures. Vyacheslav was very creative in describing the shapes. He came up with the idea of what to call these different figures – hedgehogs, elephants, the moon or the letter Z. Vadim constantly tried to get more details, but nobody wanted to waste time on elaborating. Towards the end, when Sergei Barannik already had a very good idea about the principle, he took matters into his own hands and told everyone what to do. Thus, when he has the knowledge and information, he has time for implementation.

Essentially, each person demonstrated the leadership skills that he/she displays in their daily life. Of course, we also learned about synchrony and learned how to listen to one another. We were simply able to see ourselves from the outside as well as what our communication model looks like when we do something together.

I'M OK, YOU'RE OK

Sergei Filyanin: The leadership program we attended is built entirely on introducing our consciousness to an understanding of the situations we find ourselves in during moments of danger and stress, and from which we must effectively find a way out.

We learned how to clearly determine what position we're in – in the role of a victim, persecutor or defender. And during the program, different courses of action were provided in order to turn a stalemate into an advantageous situation that can then conveniently be resolved.

It was extremely interesting when the leaders of the program held a dialogue with one another to demonstrate how one person behaves in each position and what he/she says. It was very informative. It's obvious what needs to be done in order to make the situation advantageous for both sides.

It's very difficult to pick up such information from books – you need live communication. Of course, there are some reference books. We read them all prior to this course. Being there, however, we were able to see with our own eyes how this works in practice and with a wide range of different people from Japan, Australia, Venezuela and Brazil.

Another interesting thing was that there is no boundary between personal and working in the minds of the founders of this program. An understanding of the mechanisms for action and conflict resolution is equally applicable in both your professional and personal life. Our practical exercises continuously switched from business situations to personal life and vice versa. Everything was very open and interesting. They provided us with methodology and terminology, and now

everyone who has experienced this program can speak about their problems using a common language.

Vadim Orlov: We spoke about how important it is to remember that each of us is a genius in his/her profession. The key thing is to be bold enough to find this profession.

We discussed the need to show attention (strokes) to other people. This is especially important for children: they start behaving poorly when they want to receive the slightest signs of attention even if it's negative attention.

The concept of "I'm OK, You're OK" is very important. It is only with this life philosophy that we can hold a proper conversation on equal terms. During any conversation between people, it's important to respect one another and proceed from the assumption that everything is OK for both of us. Accordingly, all other combinations are disadvantageous. "I'm not OK, You're OK" seems like despondency to the other person. "I'm OK, You're not OK" seems arrogant and as if one is morally superior to the other person. "I'm not OK, you're not OK" means everything is bad and depressing.

From my own experience, I can confirm that the concepts of bonding (establishing ties with interesting people) and putting the fish on the table (talking openly about hidden problems and resolving them) work effectively.

You must find and have as many reliable people in your circle as possible. Such people provide you with a safety zone, or Secure Base. The person's role is to listen, comprehend, give advice and, most importantly,

provide an impetus and confidence that you can continue to pursue and achieve success. It's equally important to be a Secure Base for other people as well.

It's essential to recognize that we are hostages and free yourself. One solution is to stop discounting (or selling yourself short). People often think they can't accomplish what they would ideally like to because they are too inexperienced, they haven't reached the "proper" age, or they are already past the "proper" age and think they are worse than others – all of this is called Discounting. Such behavior must be noticed

Don't be a hostage
Be free in your choice
Speak with confidence
Let's hear your voice

You are a genius
You can amaze
Take some risk and
Find your secure base

Be open
Give people some strokes
They will love you
That's not a joke

Make your bonding
And be adult
Stop playing games
Get YOUR result

and stopped – no excuses, only opportunities. Leaders believe they can, which is exactly why they can.

Upon return, I conducted a two-hour training session for the division heads of the SCM department in order to explain the core principles of the program. If each of us begins to apply them, I'm confident that the company's internal culture will improve dramatically.

On the way home, I wrote a poem dedicated to the main concepts we studied during the IMD Advanced High Performance Leadership Program (AHPL 2011).

Be a leader
Don't discount yourself
Help other people
And help yourself

I am OK and you are OK
Put the fish on the table
In an open way
I know that together we will prevail
We are free – we are not in jail

World of leadership
Is waiting for you
I am coming to it
And how about you?



Members of the IMD Advanced High Performance Leadership Program, May 2011

FISH ON THE TABLE

Vyacheslav Bich: "Putting the fish on the table" is a great technique. It can be applied in any relationship – work, home, business. We don't like to say unpleasant things. That's a natural desire for any person. Any discussion of problems is never pleasant. But there is a correct approach for discussing problems. It must be done properly and steadily with an understanding of the goals you are pursuing, sequentially deducing the problems that require discussion step by step.

Sergei Barannik: "The fish on the table" is a problem you are ignoring and don't want to talk

about. You have a specific manager or colleague with whom this problem could be solved, but for some reason you aren't sharing this problem, and the longer you go without figuring this problem out, the bigger it becomes. Eventually, this "fish on the table" spoils and begins to emit a stench.

What should you do? You have to "put the fish on the table," initiate a meeting or dialogue, and solve this problem. People often lack information and a mutual understanding. People look at problems differently, and during such discussions these problems are revealed.

At the end of the program, the RedHead managers set up a leadership council, which is to meet once every three months and discuss the organization's complex problems that are usually ignored. The main goal of the leadership program is to become leaders and raise leaders in your divisions and in the corporation as a whole. ■

Tolo Creative Toys



THEY ARE UNUSUAL. AT THE SAME TIME, THEY LOOK NATURAL, NOT LIKE ALIENS OR FAIRYTALE CHARACTERS.

THEY ARE THE ONLY ONES OF THEIR KIND BECAUSE THEY HAVE SIMPLE COLORS: RED, YELLOW, GREEN AND BLUE.

THEY ENCOURAGE PEOPLE TO SEEK OUT NEW WAYS OF PLAYING WITH THEM, BE SPONTANEOUS AND DEVELOP TOGETHER, BOTH WITH ADULTS AND KIDS.

THEY ARE JUST LIKE THAT!

THIS IS WHAT PEDIATRICIANS AND CHILDREN’S PSYCHOLOGISTS HAD TO SAY ABOUT TOLO TOYS DURING A STUDY CONDUCTED BY THE REDHEAD CORPORATION (PREVIOUSLY THE EUROPRODUCT CONCERN) JOINTLY WITH THE MOTTO AGENCY IN 2010.

ToLo’s DNA

The study was one of the key phases in the development of relations between the British toy company Tolo Toys Ltd. and the leader on the Ukrainian market for children’s goods, RedHead Family Corporation.

The study involved both doctors and parents, who along with specialists from RedHead and Motto defined the key benefits of Tolo toys.

Above all, the design is intelligent, which makes Tolo toys physically and psychologically “appropriate” for a child. The toys have a smooth, comfortable, ergonomic and, at the same time, exciting grasping reflex. Simple geometric shapes, vividness and roundness help to develop tactile functions.

Red and yellow are simple colors that children are able to perceive earlier than other colors. Consequently, their presence among a child’s first toys makes

the learning process more convenient, safe and clear.

Finally, the reality of the characters, like from the First Friends collection, and the opportunity to compare toys with objects found in their daily surroundings provide a broad field for games that simulate everyday situations.

The creativity and collector’s value of Tolo toys also generate loyalty to this brand among parents, and both mothers and fathers derive great pleasure from spending time with their children “playing with Tolo.”

With simple shapes, simple colors and simple characters, Tolo translates the complex “adult world” into the simple language of a child.

Highlighting these core features, the specialists who conducted the study came up with the “brand DNA” of Tolo toys – color, shape and creativity.

The strict observance of these principles makes Tolo a unique brand for child development and provides a vector for future marketing strategies.





13 YEARS WITH TOLO

RedHead Family Corporation has a close connection to the history of Tolo toys in Ukraine. This relationship has lasted 13 years, while the Tolo brand has existed for 26 years.

Tolo Toys Ltd. was established in 1985 and is a British owned company. Tolo’s head office is in Hong Kong, where the product design, engineering and tooling, marketing and order administration are situated.

Tolo’s story is remarkable due to the fact that the founders for a long time

put all of the company’s resources into the design, manufacturing and distribution of toys, while marketing remained poorly developed. The company had a concise international website and catalogues for distributors, but the end consumers knew almost nothing about the benefits of Tolo toys.

It is the toy design, which is thought out all the way down to the smallest details, that makes Tolo stand out among other toys.

“Trust Tolo” is the credo of the toy company, which employs some of the

strictest manufacturing regulations.

All the surfaces of Tolo toys are smooth and shiny, with no sharp edges. They are made from the highest quality colored plastic available, and the use of paint is avoided where possible

After coming out of the mold at the factory, each toy is cleaned and polished by hand. Leftover plastic is not re-used and not re-melted, thus ensuring the guaranteed durability of the toy, which does not crack or break even from severe impacts.



At present, Tolo has four categories of toys designed to both entertain and educate children starting from their first months until the age of five.

The collection, which includes Tolo Classic, Tolo Baby, Tolo Soft and First Friends, make up the entire “Tolo World.”

The broad representation of Tolo toys at the Antoshka chain, the development of exclusive distribution in Ukraine through the efforts of RedHead, and the brand’s own uniqueness make Tolo one of the most popular toy brands among our customers.

In late 2010, the marketing division of the RedHead national distribution

department conducted an analysis of the Tolo target audience in Ukraine, while at the same time assessing their own capabilities for promoting the brand. The strategy prepared as a result of this analysis was recognized as the most successful among all Tolo distributors only six months later, and now the company plans to use these results around the whole world!





Tolo zone at Antoshka (World Trade Center at Srednefontansky, Odessa)



Sales of Tolo toys at Antoshka stores have been on the rise since the start of the year compared to the same months of 2010. The biggest increase so far – 38% – came in May 2011.

One of the most vivid examples of the brand's growing popularity is that as soon as Tolo game tables were installed at Antoshka

stores, all railroad sets were sold from all of Antoshka's warehouses within the next two weeks.

Setting up displays with Tolo promos at stores has also provided additional incentive for interest in the brand. In the first half of 2011, such displays were set up at 25 Antoshka stores and 5 stores of Kiev

distribution branch clients.

In addition, retail outlets continue to be designed with fascias, light boxes, shelf talkers and Tolo banners in order to strengthen the visualization of the brand.

The current Tolo executives, Stephen Reardon



Sergei Barannik, Alexander Logvin, Stephen Reardon, Luc Schwartau and Irina Levchenko during a presentation of the new Tolo product range (Europroduct, 2009)



and Luc Schwartau, regularly visit Red-Head's central office in Odessa to present new product lines and monitor the retail outlets offering the Tolo brand.

In 2011, Luc Schwartau and Distribution Department Brand Manager

Anna Makovnikova visited over 40 stores.

Following the monitoring, the two companies decided to increase the representation of Tolo soft animals at stores and also discussed prospects for sales of the Tolo Baby collection. Specialists say

boutiques and departments selling gifts or furniture are the most likely sales channel for this collection.

"It was a very positive and inspiring week," Luc Schwartau wrote in the review of his visit to Ukraine.



Stephen Reardon, Tolo's creative director,
at the Antoshka store in Srednefontansky (Odessa), 2009

The expansion of Tolo's presence in Ukraine and improvements in the retail displays and promos are only half the story.

Since 2010, thematic Ukrainian magazines targeted at young parents have been publishing numerous articles on the benefits of Tolo toys for a child's development. This promotion method is unique for Tolo, Luc Schwartau noted.



Expectant Mothers School at Mega-Antoshka in Odessa.
The class is being taught by pediatrician Viktoriya Yarskaya



RedHead pediatricians who take part in the Expectant Mothers School provide significant support to the development of the Tolo brand.

These schools operate in two areas – at Antoshka stores (in eight major Ukrainian cities) as well as independent Mothers

Schools and early development schools throughout Ukraine.

During classes with parents, doctors talk about the importance of toys in child development, particularly during the first year. Tolo toys (rattles, bathtub ducks, a musical television for the bed, the boy from the First Friends

collection) are used as aids in these classes. Following the classes, the expectant mothers can obtain more details about Tolo, and following the educational program parents are given a booklet that tells the story of Tolo toys and provides a short description of the significant aspects of child development at each age level.



Tolo Brand Manager Anna Makovnikova

The active marketing position achieved by Tolo thanks to the efforts of RedHead's distribution services has generated a growing circle of fans in Ukraine.

In order to build on the success of the marketing campaigns and to replicate them in work with other distributors around the globe, the decision was made to appoint RedHead Family Corporation Brand Manager Anna Makovnikova as the brand manager of the Tolo Toys division in Europe. Anna's top objectives will be to support marketing efforts, increase the pace of Tolo toy sales in Ukraine as one of the key distributors of Tolo Toys, and improve the brand's position in more than 20 countries of Eastern and Central Europe.



Tolo toys are unrivaled due to the broad dissemination of information about the benefits of Tolo and the appeal of the toys in the eyes of parents due to their combination of playful features and a psychologically and physically sound design.



Thanks to the efforts of the RedHead Family Corporation, children in Ukraine can grow up more developed and balanced as well as utilize the full range of their creative potential. ■



Tennis – a game for leaders



Antoshka Cup 2011

THE ANTOSHKA CUP SUMMER CHILDREN'S TENNIS CHAMPIONSHIP OF UKRAINE WAS HELD FOR THE SEVENTH TIME AT THE LAWN TENNIS CLUB IN ODESSA FROM MAY 29 TO JUNE 5.

THE TRADITIONAL TOURNAMENT, WHICH IS INCLUDED IN THE REGULAR CIRCUIT OF THE UKRAINIAN TENNIS FEDERATION, BROUGHT TOGETHER ATHLETES AGED 12 TO 14 FROM THE COUNTRY'S LEADING TENNIS SCHOOLS.



RedHead President Vladislav Burda encourages the Antoshka Cup 2011 participants to develop leadership skills

Tennis officials said at the press conference devoted to the opening of the tournament that Ukrainian tennis has very much established itself on the world stage over the last five years.

RedHead Family Corporation President Vladislav Burda noted that Ukrainian tennis players have been able to improve their level of training due to an increase in investment in the sport. In addition, he said, the numerous victories of Ukrainian tennis players at international championships has resulted in growing competition in children's tennis.

In order for people to emerge as leaders, they need a secure base, or an environment in which they feel support. For young athletes, coaches or parents function as this base. Mr. Burda expressed hope that the Antoshka Cup will also become a secure base for the young members of the summer championship who come to Odessa each year in early June and that it will serve as a tool to nurture leadership skills in children.

The RedHead president also spoke about why Antoshka is interested in tennis and supporting children's sports on the whole.



Celebratory performance at the Antoshka Children's Fashion Theater during the opening of the seventh Antoshka Cup tournament



Fyodor Modnikov, the winner of the Antoshka Cup 2011 in the singles tournament for ages 14 and under



Katerina Lymar, the winner of the Antoshka Cup 2011 in the singles tournament for ages 14 and under



Mr. Burda said sponsorship of this kind falls under the category of social entrepreneurship. Unlike charity, when it's virtually impossible to control the money one gives, participating in social entrepreneurship is only possible when the entrepreneur understands the process in which it is investing resources – not only money, but his own efforts, heart and mind. Then this serves as investment in the future and a contribution to the development of society as a whole.

The idea of social entrepreneurship also means not supporting individual athletes, which is already a commercial project.

The Antoshka Cup prize fund does not consist of cash prizes (this is prohibited in children's tennis) but toy products corresponding to the age of the participants. The winners of the singles tournament received "technological" prizes, including iPods and e-books (pocket books). In addition to medals, the boys and girls who came in second and third place received stuffed bears and dogs, Hello Kitty toys, Lego sets and radio-controlled cars.

Another valuable gift for all the children and their parents was a tour around Odessa led by Boris Burda. On the second day of the tournament, guests were given an opportunity to get to know our city from an extraordinary perspective thanks to their unique guide, who showed off the most interesting parts of Ukraine's southern capital. ■



Boris Burda gives young tennis players and their parents a tour around Odessa

Antoshka

is creating a better future



Meeting at the Children's Relief Center on June 1, 2011, Kiev



Future graduates of the Bucha boarding school on Prospekt Pobedy in Kiev

Over the last year, Antoshka has reached out beyond its stores in order to develop its operations.

Staff members from two Antoshka stores in Kiev succeeded in arranging a celebration and bringing joy to a place where it was not expected. On International Children's Day, employees from the Antoshka-Lukyanovka 1 store took gifts to the City of Happy Children, one of two centers in Kiev whose mission is to provide assistance in solving the problem of homeless children.

Prior to this, the team from another Antoshka store on Prospekt Pobedy invited future graduates of a specialized boarding school in the town of Bucha to come visit their store. Children growing up without any parental care are provided with everything they need by the

government, but once they reach the age of graduation questions begin to emerge about the future path these young people will take.

Spending a day at Antoshka side-by-side with salespeople, cashiers, merchandisers and consultants provided the kids with an opportunity to picture themselves as members of this team. Perhaps they will return in the near future.

While these two cases are specific examples of how outgoing Antoshka employees are, the company's active participation in municipal events that seek to support and reinforce the values of family and childhood is part of the retail chain's well-planned marketing strategy. This strategy has particularly evolved at the regional level this year.



The Parade of Strollers in Chernivtsi

Antoshka served as the sponsor for the Round-Bellied Mama beauty contest among pregnant women, which was held in Rovno last spring. All the participants received makeup kits for their newborns, and Antoshka also awarded one future mother in the "Super Positive" category.



The Round-Bellied Mama contest in Rovno



In Chernivtsi, Antoshka served on a panel of judges for the Parade of Strollers, an unusual contest among baby carriages that have been specially decorated by parents. Antoshka was recognized by the Chernivtsi Department for Family and Youth Affairs as the most active participant in municipal events.



The Antoshka store in Vinnytsa, which is managed by Larisa Kurchenko, who supported a children's field hockey tournament, in June received gratitude "for active work to popularize the Olympic movement" as a regional partner of the Ukrainian National Olympic Committee in the Vinnytsa Region. ■



Antoshka sponsors a children's field hockey tournament in Vinnytsa

Independent and competent



The RedHead children's focus group along with moderator Natalia Muravenko



When does a child become a full-fledged consumer who makes independent choices? What roles do fashion and clothing play in a child's life? In what ways does fashion influence a child's world differently than adult life? And what conclusions can be drawn from this, in particular, for such a major player on the market for children's goods like RedHead Family Corporation?

These are the questions the Motto Agency and RedHead retail department set out to answer as part of joint research into children's perception of fashion.



The study was conducted using the method of the focus group, which was comprised of Antoshka's smaller customers in an age range of 5 to 12 years old. They were split into three age groups – preschool (5-6 years old), elementary school (7-9 years old) and adolescent (11-12 years old).

Along with the children, the moderators from the Motto Agency and RedHead simulated shopping situations at a virtual children's clothing store. For games in the "dream fashion store" the young study participants utilized applications with numerous bright and diverse clothing from famous companies, creating combinations from them for different seasons and situations in everyday life as well as for festive occasions.

This joint research game led to a number of interesting conclusions.

The members of the first age group demonstrated what parents consider to be "typical childlike" behavior. They selected the cutest and brightest clothing, but at the same time they couldn't clearly define the criteria for their choice, or they were indifferent to the clothing and showed no interest in things whatsoever.

The boys and girls from the next age group proved to be real experts. Their evaluation criteria were directly connected to an understanding of fashion: "Good – not good!" "Remove – add" "This is excessive, and this is lacking" "It matches – it doesn't match." They defined things that were "child-like" and "gaudy," or just plain "not good looking," as "unfashionable!"

The brightest ideas came from the kids in the 8-11 age group. With the teenager crisis not having set in yet, these kids did not display any complexes and said they do not feel pressure from the numerous social standards and rules, particularly the rules of their adolescent group. This is an age of freedom and creativity.



These study participants were not afraid to experiment, express themselves, or show off their originality and sometimes eccentricity.



A wide gulf separates the children between the ages of 8 and 11: they have different visions of fashion, style, assortment and beauty standards. What an 8-year-old girl finds chic, an 11-year-old views as gaudy and unacceptable. Most importantly, they have different degrees of independence. An 11-year-old doesn't want her mother to be involved in picking her outfit, but this is perfectly acceptable for a 7-year-old.

In the modern world, however, things don't depend as much on age and environment as they do on access to information. The more information there is and the more varied it is, the higher consumption will be. The more a child is an expert in matters of style, the less he/she will be closed into a childlike environment and peer group, and the closer he/she will get to fashion, and not just children's fashion.



The children of today are full-fledged consumers and an extremely important target audience for manufacturers as well as the decisive factor in an adult's decision-making process on the purchase of children's clothing.

We can see that the children's fashion created by the hands of professionals and what exists in the children's social environment are a little different: the store shelves don't always contain a range of styles and trends for different ages that corresponds to the range of style tastes and preferences among children.

People who create children's fashion and decorate children's stores are used to traditionally considering everything under teenage fashion to be for children and believe there should be perpetual "funny pictures" since it's for kids. In fact, the designs and styles offered by manufacturers and distributors are targeted at the consumer behavior and selection of the adults as well as the game of childhood stereotypes in the minds of the parents.

But once they become full-fledged participants in forming their own wardrobe and possess informed competence in matters of style, those who are counting on the loyalty of these young fashionable dressers will have to take these factors into consideration. This trend is only beginning to gain momentum. ■

Through Changes to Results

How affiliates operate under the Adizes methodology



Text: Adizes Integrator
Sergei Bystrin

Working under the Adizes methodology is a process of constant change.

At two of the company’s four affiliates where such work is being implemented, there has been another change in administrators, as previously trained integrators with impressive experience have moved on. These changes create some challenges, but in this situation it must be remembered that problems are an opportunity for advancement!



Viktoria Voloshina

Moreover, there have been vast improvements in the study of PIPs, or potential improvement points. **The central retail office now only needs 8-9 months to cover 80% of PIPs instead of a year as Dr. Adizes recommends.** In addition, less time was needed to complete about 80% of the PIPs in Lvov, where the first Syndag (synergetic diagnosis) was held in fall 2010. Special mention should also be made of the increasingly closer integration of affiliate procedures by Adizes and the more efficient and effective work in the field.

One example of such work is Viktoria Voloshina, the Adizes integrator in Dnepropetrovsk:

“The SynerTeam (Team Building session) to promote Antoshka at the Dnepropetrovsk affiliate went very smoothly and was interesting. The solutions for most of the PIPs are obvious. For instance, the ‘hits and anchors’ system, which allows for studying consumer demand, has been introduced on a permanent basis for efficient inventory management at the affiliate’s stores. An advertising line was included on the receipt with information about the store’s services in order to better inform the customer. Suppliers are hired to conduct joint projects in order to present new products at the store.

“The highly important SynerTeam ‘Communications among Company Divisions’ continues its work. It’s important because the essence of all problems frequently lies in a breakdown in communications: the necessary information doesn’t arrive at the right time, there is no feedback, and much more. The SynerTeam revealed even more PIPs, which, once addressed, will improve the work not only of specific divisions, but the affiliate as a whole. Perhaps we won’t be able to handle all of them on our own. We will submit some of the PIPs to the top level.” ■

Glossary



LOVE

The convergence point of common interests at which integration is simultaneously directed inward and outward and where mutual respect and trust exists.

Here “to give” means “to receive,” here everything is “one” (“singular”), here what we “have” is equal to what we “desire,” what we “need,” and what we “possess.”

This is the point where total, absolute, universal and internal integration occurs. Here the past, present and future all blend into the present, total capi exists here, and therefore there is no need for capi (in other words, control is total and therefore there is no need for control). ■

capi –
a combination
of authority,
power and
influence,
which can be
possessed by
both a person
and a team.

Art and Business



Members and guests of the sixth FBN Ukraine event in Dnepropetrovsk, April 2011

THE SIXTH MEETING OF THE ASSOCIATION OF FAMILY BUSINESS OWNERS OF UKRAINE, WHICH WAS HELD IN APRIL, BROUGHT TOGETHER MORE THAN 40 PEOPLE IN DNEPROPETROVSK – REPRESENTATIVES OF 18 FAMILY-RUN UKRAINIAN COMPANIES AND TWO INTERNATIONAL GUESTS.

THE ART OF BEING SUCCESSFUL WORKSHOP WAS CONDUCTED BY MIKHAIL KAZINIK, A MUSIC SCHOLAR AND TEACHER AT THE INTERNATIONAL BUSINESS SCHOOL OF SCANDINAVIA. IN ADDITION, AMIR KFIR, AN EXPERIENCED FORUM ORGANIZER, INTRODUCED A NEW FORMAT OF COMMUNICATION AMONG FBN UKRAINE MEMBERS.

BOTH GUESTS SPOKE ON THE FIRST DAY OF THE EVENT, WHILE THE SECOND DAY WAS DEVOTED ENTIRELY TO STUDYING FAMILY BUSINESS, WHICH INCLUDES THE BIOSPHERE CORPORATION, A LEADING MANUFACTURER OF HOUSEHOLD GOODS IN UKRAINE, AND THE CHARISMA FASHION BOUTIQUE, WHICH WAS CREATED BY THE BIOSPHERE OWNERS.



Biosphere Complex (Dnepropetrovsk)

Biosphere Corporation was established in 1997 with the acquisition of national distribution experience from the famous international brands: Kotex, Huggies, Libress, Libero, Bella and Nicols.

In 2002, Biosphere launched production under its own trademarks (it has 14 today). Perhaps the most famous of them – Freken Bok – has dominated the category of Best Cooking Products at the Choice of the Year international festival and contest for the last five years.

In addition to Dnepropetrovsk, Biosphere manufactures its products in Letychiv (Khmelnitsky region) and in Belgorod (Russia). These two production and logistics centers have total area of 13,400 sq. meters. The corporation has representative offices in Moscow and Ljubljana (Slovenia) in addition to offices in Kiev, Kharkov and Lvov. The corporation employs a total of 1,700 people.

Biosphere Complex, which unites a wet wipes plant, logistics center and the corporation's headquarters, opened in Dnepropetrovsk in 2009. The facility has total area of 34,000 sq. meters.

FBN Ukraine participants visited the complex. They were impressed by the modern conditions of the warehouse and the company's logistics. Biosphere owner Andrei Zdesenko personally presented details about the structure of the corporation's enterprises as well as a concept for entering new markets – Russia and Kazakhstan.



Mikhail Kazinik at the opening
of the sixth FBN Ukraine event

It was Mikhail Kazinik's workshop, however, which laid the foundation for the spring meeting of family business owners. He arrived in Dnepropetrovsk following a spring school session that he traditionally teaches in Italy. Kazinik presents Classical Rome, Florence, Padua, Verona and Venice through the prism of creativity of great composers, artists and architects. Prior to this, workshops had been held in Riga – the city where Kazinik was raised. And later, they were held in Nizhny Novgorod, Vilnius, Kaluga, Yekaterinburg...

His life is as intense and full as it gets. Besides his educational activities, he finds time to record a radio program and make journalist films. He gives lectures for both musically gifted children in the middle of provincial Russia and for the senior executives of major corporations. He performs at Teatrstudio Lederman in Stockholm and is a leading expert for the Nobel Peace Prize Concert. Along with his irreplaceable stage partner, pianist Alexei Botvinov, Mikhail Kazinik can regularly be heard on the Orpheus classical music radio station during the Conversation on Music segment.

Mikhail Kazinik is a teacher at the International Business School of Scandinavia and a professor at the Drama Institute of Stockholm. He holds an annual conference for doctors devoted to the healing power of music. His book, *The Secrets of Geniuses*, is dedicated to classical works of art from different areas and is already in its fourth edition. The author himself calls it “a book for people who still haven't lost their genetic memory.”

Mikhail Kazinik is an opponent of narrow specialization in anything. He says: “The narrower a person's scope, the easier he is to control. A person immersed in business and not thinking about anything else has no idea that the laws of business exist in sonata form and that Einstein's theory of relativity is encoded in the fugues of Bach.”



“... Being educated is a must for a manager. One aspect of education is an understanding of high art. For instance, music provides an understanding of the complexity of life and the role of themes in the overall sound. This is essential for business. After all, most businessmen have only one theme lodged in their mind – that of a gladiator: strike the opponent. Though the problem can be solved in another way, through a secondary theme – through the conscience and soul. But in our society it's still difficult to explain why it is this way,” Mikhail Kazinik says during the Restart workshop.

“All developed nations are currently paying increased attention to culture and art. If during a crisis one seeks to save money on culture, the crisis will spread to the level of a catastrophe. For if material and spiritual emptiness converge on a person, this is fertile ground for suicide. Only high culture has the ability to displace it. This is well-known to all specialists – from psychiatrists to classic psychoanalysts. The entire restaurant popular culture only serves to accelerate and exacerbate the mental blowup.”

Mikhail Kazinik calls music a vibrating source of sound and a person a receiver. The receiver may be tuned well or it may be broken. Broken by false ideas and vulgar, primitive sounds passed off as music – or “ear candy.” If the receiver isn't completely broken, Kazinik goes about fixing it.

At the same time, Kazinik says that today the very foundations of our civilization have been abandoned.

“All the fundamentals of the ancient Polis and Demos, the foundations of liberal arts (quadrivium and trivium) – we are giving all of this up, and nobody knows to whom. If we sur-

render it entirely, then the tired Christianity will be replaced by a new powerful, courageous, tough and uncompromising idea... If we surrender Romeo and Juliet, surrender Byron and Pushkin, surrender the great Renaissance and Gothic architecture, if an entire generation is indifferent to these riches, all that will be left to do is wait to see how soon, with what degree of cruelty and with what degree of categoricalness another civilization, which was ripening in parallel in the Judeo-Greek-Roman bowels, comes along and conquers that space.”

In talking with the family business owners, Mikhail Kazinik also commented on aspects of the modern political system. Kazinik revealed the essence of the notion of “democracy,” which is usually interpreted as “the power of the people.” In ancient Greece, however, the “demos,” i.e. citizens who had the right to elect the authorities and rule, only included those who had mastered the “liberal arts”: the art of grammar, rhetoric, logic (trivium), arithmetic, geometry, music and astronomy (quadrivium). These were the only people who could make the correct decisions, according to the laws of the state.

In this way, Mikhail Kazinik once again focused his listeners’ attention on how people, using erroneous assumptions, have a distorted perception of the world, presenting it less and less objectively, as if erecting a shaky and therefore dangerous structure on an unstable foundation.

Dr. Amir Kfir (center), a speaker at the FBN Ukraine event in Dnepropetrovsk



The family business owners learned about a new structure of communication from Amir Kfir, the founder and CEO of the consultation company Amirror (Israel). Dr. Kfir acquired extensive experience in intercultural communications, developing and moderating YPO forums between leaders of different nationalities – Arabs, Israelis, Greeks and Turks.

The forum system sorts the participants by certain criteria, which are selected randomly. It could be common areas of business, the geography of a company’s operations or even the number of children the owner have. Similarities in one or several criteria allow the forum participants to solve similar problems in an atmosphere of trust and equality.

The FBN Ukraine meeting in Dnepropetrovsk laid the foundation for the use of the forum system in the Association.

The owners of Ukrainian family businesses will gather at the forum four times a year in small groups of 8-10 people.

At each meeting, one or more of the participants, which could include married couples, talk about their situation and answer questions from other owners. In their feedback, the group members give their own vision of how to solve the problem described in the “presentation.”

All the suggested solutions are recorded, an update is given at the next meeting three months later, and the participants again return to the previous situation in order to learn what changed.

“The update consists of a three-minute story about the two most important events that are happening in your personal life and in business,” Vladislav Burda says. “It could be an achievement, a problem, a potential improvement point, or a PIP according to Adizes, that is, whatever is worrying you most of all, whatever is keeping you up at night. These discussions are strictly confidential – this is the foundation of all the forums. An entrepreneur who offers to speak openly about his/her personal issues understands that there are other people with similar problems. Many owners said after this forum that everyone has the same problems, but there are different views regarding them. The opportunity to see these different views of identical problems yields a solution that inspires you.”

It became apparent at the Association’s sixth event that family business owners from different cities want a great degree of involvement in joint projects and greater interaction during meetings. This interactivity is currently a development priority for FBN Ukraine. ■

FBN Ukraine Summer Event in Odessa



THE PRESENTATION OF THE SECOND BUSINESS BREAKTHROUGH OF THE YEAR AWARD, THE SECOND VISIT BY THE FAMILY BUSINESS EMBA PROFESSORS, JOSEPH ASTRACHAN AND GEORGE MANNERS, THE SECOND VISIT BY THE FAMILY BUSINESS OWNERS TO THE REDHEAD HEADQUARTERS - THIS IS HOW FBN UKRAINE WRAPPED UP ITS **SECOND YEAR OF ACTIVITIES AT THE EVENT HELD IN ODESSA ON JULY 15-16.**



Vladislav Burda presented gifts from Daniel children's boutique to owners who became parents over the last year



Award for Business Breakthrough of 2011

A total of 23 families gathered for the seventh meeting of the Association of Family Business Owners of Ukraine in Odessa.

Vladislav Burda opened the official part of the event with an address and spoke about preparations for the international summit in Singapore. Four new families which have joined the Association were introduced. The Association president presented the Business Breakthrough of the Year award for the second time in the history of FBN Ukraine. Last year it was awarded to the Abrikos jewelry store chain and its owners, Olga and Dmitry Gutsal.

Vladislav Burda also congratulated the Association members who had become parents in the last year since the previous meeting in Odessa. The FBN Ukraine president presented Yevgeny Lemberg and Eduard Balzhik with gifts from the Daniel children's boutique.



Alejandro Altieri, the leading coach at the IMD Institute (Switzerland), and Vadim Orlov of RedHead at the seventh FBN Ukraine event

The speakers at the seventh FBN Ukraine event were Joseph Astrachan and George Manners from Kennesaw State University (U.S.) and Alejandro Altieri from the IMD Institute (Switzerland).

Alejandro Altieri held a workshop on building effective communication between different generations in the family business. The event participants were split into two groups – the Next Generation and their parents, the current generation of owners. According to Altieri’s assignment, members of each generation had to state what they expect from the other generation, what they can offer in return, and what qualities they would like to see in the other generation.

The young FBN Ukraine members – NextGen – probably didn’t expect to see such a showing of support from their parents. The family business owners said they were willing to provide the next generation with money, the opportunity to study in any country, connections and the freedom to choose their own role in the family business.

At the same time, the Next Generation said they expected respect, trust and more joint time to discuss problems and issues from the older generation. They said their parents should learn how to use modern technologies more quickly and improve their knowledge of foreign languages.



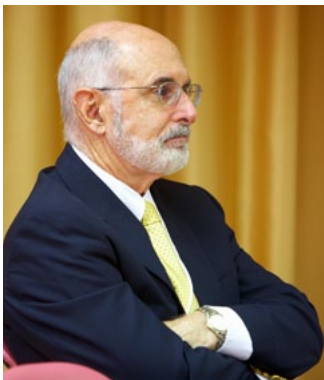
NextGen spoke about what they expect from the older generation and what they are willing to give in return



Joseph Astrachan – “the number one family business researcher in the world,” and a master of compiling family genograms

Professor Joseph Astrachan focused on family communication in his speech, but from a different point of view. Using the example of two families, which are Association members, Professor Astrachan demonstrated how long-standing models of emotional bonds in the chain of a single family’s generation always influence the new generation and the family business. Building a family genogram allows for determining who is the emotionally dominant member of the family and how relationships form at different family levels based on a number of issues.

Astrachan imparted two key ideas on his listeners: the family genogram and its impact on future generations is only a potential outcome, which could change if the owners, first of all, reflect on the nature of the emotional bonds within the family and, secondly, find the strength within themselves to prevent negative patterns.



George Manners at the seventh FBN Ukraine event in Odessa

Professor George Manners, who teaches finance as part of the Family Business EMBA course, held a workshop called The 10 Principles of Motivation in Management. According to Professor Manners, if leaders are capable of inspiring, they shouldn’t ask themselves why, but should keep doing this again and again. Manners says people should be selected for a team based on their behavior and enthusiasm, and not based on their skills. He also believes that management which aims to minimize the level of discontent among employees is incompatible with management aimed at optimization as well as responsibility.



A tour of Levada with company founder Valery Volkov



Tasting of Levada pelmeni

Levada, a manufacturer of pelmeni and other frozen foods, was the family company that hosted the summer event participants. Levada founder and CEO Valery Volkov provided a personal tour of all the production facilities.

The family business owners were given a first-hand view of the production of pelmeni, ravioli, pancakes, cream cheese fritters and other food items, and were then able to taste these products. Volkov spoke about the company's sales



At the completion of the seventh FBN Ukraine event, professors from Kennesaw State University presented Vladislav Burda with the diploma for his Executive MBA degree in family business

structure and corporate culture, and warmly noted the contributions his wife, Svetlana, and son, Dmitry, had made to the family business.

The meetings of family business owners, which are held thanks to the activities of FBN Ukraine, create an atmosphere of confidential communication and endow business owners and their future generations with unique experience. The knowledge that owners acquire from one another and from leading specialists in the fields of family business theory and practice prove to be just as valuable. Discussing similar problems as well as seeking and discovering ways to solve them provide a vector not only for the Association's development, but

FAMILY HISTORIES

VLADIMIR VIKOL AND LYUDMILA SAPOZHNIKOVA (ODESSA)



Lyudmila Sapozhnikova and Vladimir Vikol with their daughter, Nadezhda. March 2011

Next year they will celebrate ten years of romance as well as ten years of working at the same company

Here they reflect back on Europroduct in the early 2000s; RedHead is still developing in this new decade thanks to them.

Vladimir was working as both a programmer and an administrator at the Europroduct central office on Bolshaya Arnavutskaya. He had to stop by numerous offices several times a day, however, and he met Lyudmila in the financial department.

The year 2002 was a period of rapid growth for the company. The three-person IT department was handling the challenges not only of the central office in Odessa, but of the developing affiliates as well.

Vladimir joined Europroduct after working in customs, where he was a top-ranked adviser.

His education as a systems engineer prompted him to seek a profession in the IT sphere.

Lyudmila began working at Europroduct as a financial analyst and has continuously improved her skills at training sessions while working at the company.

“Life has presented us with challenges and we have accepted them. Lyudmila works in finance and I work in programming. We are rather clearly united by a desire to learn and help,” Vladimir says.

Prior to joining Europroduct, Lyudmila worked for a distribution company which handled the promotion of Nestle products and was later merged with the Ukrainian office of Nestle.

Vladimir and Lyudmila say one of the most exciting moments of their joint work was the opening of the affiliate in Moscow. Rost opened in 2007 as the Russian affiliate of

Europroduct. The affiliate has increasingly focused on the distribution of children’s clothes and food. A group of specialists from the central office was to provide consultations to the Russians: Lyudmila Sapozhnikova on accounting and reporting procedures, Vladimir Vikol on software, and Svetlana Levchenko on sales operations.

In 2009, Vladimir and Lyudmila had a daughter, Nadezhda.

Lyudmila adds: *“There’s a big age difference between our children and, of course, Nadezhda has forced us to return to childhood. We have a completely different outlook on both her development and behavior... We have forgotten some things, but other aspects have become easier...”*

Lyudmila now works in the distribution department after returning from maternity leave in 2010. In the new company structure, Sergei Filyanin offered Lyudmila the position of a financial specialist and his deputy for operating activities, which includes document management, receivables, reporting.

She has become a kind of financial director of the division in her new position, although technically she remains subordinate to Igor Zaslavsky, the financial director of the entire corporation.

As an operating financial specialist in distribution, Lyudmila Sapozhnikova says she has reconsidered her view on finances.

“In distribution, you get an entirely different perception of the sales process and of people working in sales

in general. Sure, it’s the front line and any failures are measured in serious money. That is to say, while finance has more of a control function, here in distribution any action leads to some sort of results. Therefore, it’s important to choose the proper course first and then act. Moreover, these tasks are interesting because the people working in sales are mainly of the (P) orientation, or people of action, according to Adizes...”


Vladimir Vikol and Lyudmila Sapozhnikova have been nominated and received some of the highest awards from the concern’s management.

Vladimir was awarded “for the many years of his invaluable contribution and unique talent of being the heart of the team, his ability to not lose presence of mind, and his sense of humor combined with the effective solutions he finds to challenging issues as well as his significant professional growth in 2006.”

Two years later, Lyudmila received an award “for being such a great help to all the concern’s divisions, particularly the ‘green’ and Rost, in compiling financial reports and defining key indicators, as well as for her total independence in resolving very complex problems and outstanding expertise.”

At some point, they agreed to leave all their work issues behind once they come home. Circumstances that arise when they cross paths at work could carry over to their personal lives and family. *“Then the meaning of life is kind of lost,”* Vladimir says. At the same time, they both agree that mutual consultations can make it much easier to perform certain tasks at work. ■

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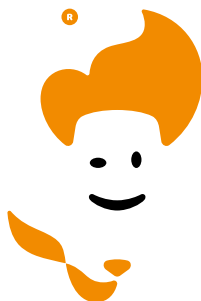
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This issue also contains photos from the private archives of employees and pictures provided by the HR Department, the Supply Chain Management Directorate, the Distribution Department's marketing division, the Retail Department's marketing division and the Store Administration.

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