



RedHead
Family
Corporation

2012



The Happy
People
Corporation

Vladimir Domanin
President's Assistant

General information



About the company

The RedHead Family Corporation (founded in 1994 as Europroduct) is the leader on the children's merchandise market and the largest family company in Ukraine.

The company's business includes the largest chain of children's shops in the country (Antoshka), boutiques selling leading fashion brands in key cities throughout the country, and national distribution which exclusively represents the brands of world leaders in the children's merchandise market. RedHead's distribution holds 70% of the national baby food market, and the company is striving toward a leading position in the categories of toys, children's hygiene products, clothing, furniture and accessories.

Branches



The central office of the corporation is located in Odessa.

Branches of RedHead operate in all regions of Ukraine. Offices have been opened in cities with populations over one million – Kiev, Kharkov, Dnepropetrovsk and Lvov – and in the Crimea. The corporation's retail network covers 21 cities.

A representative office of the company has also been opened in Moscow (Rost).

Facts and figures



Baby food market
in Ukraine



Exclusive brands
of children goods introducing
by RedHead distribution
in Ukraine



Retail mass-market shops
("Antoshka", "Mega-Antoshka",
"Toshka", "Kazka-Nova")
in 21 cities



Employees
of the company

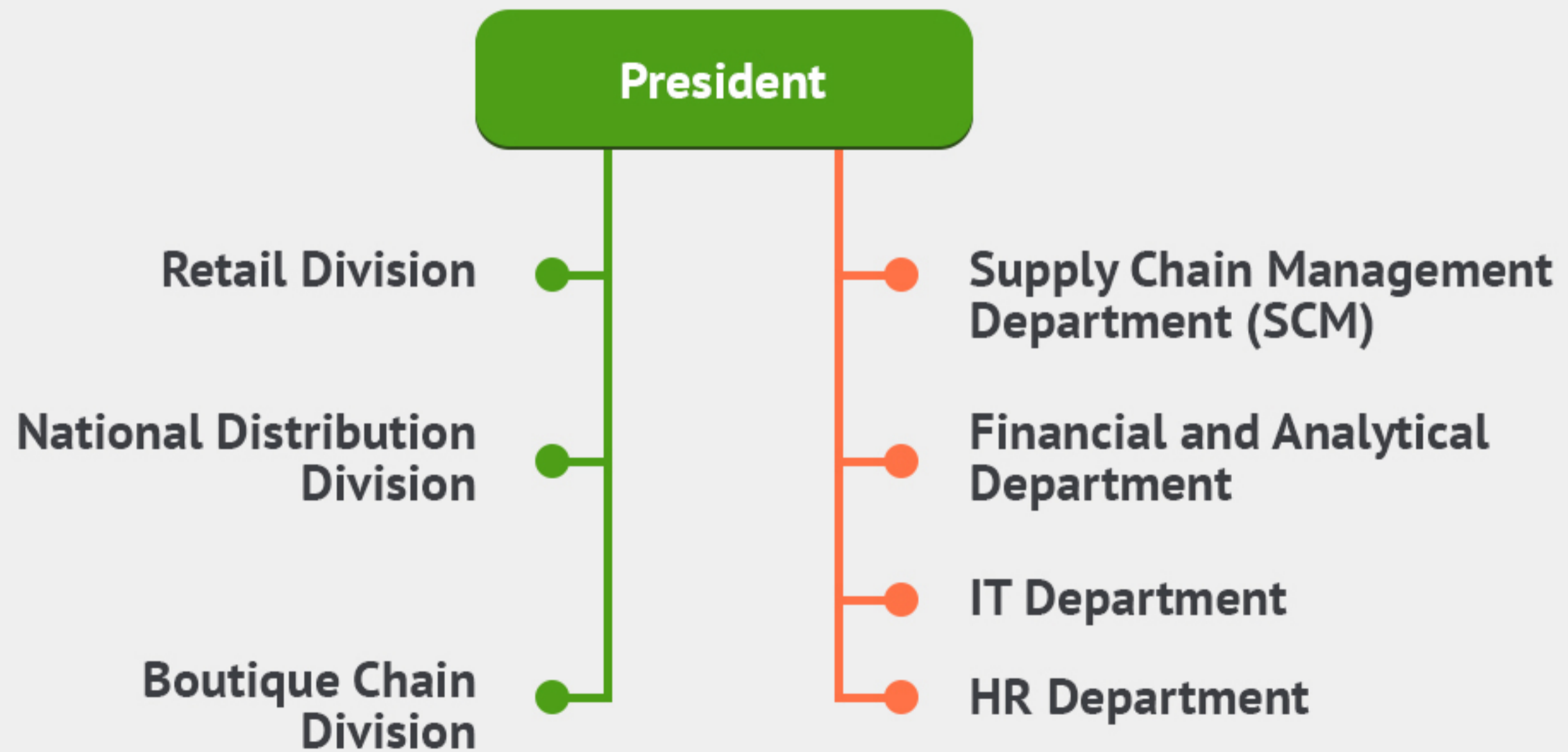


Luxury boutiques (Daniel, Vibel,
Armani Junior, Baby Dior,
I Pinco Pallino, Miss Blumarine,
Liu-Jo Junior, Monnalisa)
in 3 big cities

Structure of the Company

Organizational Structure

Under Adizes's classification, the class "greens" includes the profit centers of the Corporation, and the class "reds" includes the service departments and other cost centers.



There are not that many ways to become 'immortal'. The first is to create a business which will outlive you. The second is to have children who will outlive you. The ideal combination is children who will continue your business

**Vladislav
Burda**



Founder and CEO

Vladislav Burda was the originator of many innovations in Ukrainian business: the creation of the Antoshka chain of children's supermarkets (in 1997), the implementation of strategic planning procedures (2003) and the implementation of the Adizes method in Ukrainian companies (2004), the holding of leadership programmes (Vladimir Shubin's "breakthrough programme") on a corporate level (1996, 2006), the unification of Ukrainian family business owners in Family Business Network Ukraine (2009), and the holding of Forums – confidential meetings of owners in small groups (since 2011).

He was the first in Ukraine to receive the Executive MBA for Families in Business (2011) and to use George Manners' system of 6 levels of financial knowledge in management (since 2010). He has gone through several educational programmes on leadership and the management of family businesses with world specialists at IMD (Switzerland) and several other training organizations. He implemented the system of the external Board of Directors in the company (2012).

Top management of the company



Sergey Filyanin

Retail Department Director
being at the company since 2007



Alexander Vlasov

National Distribution Director
being at the company since 2007



Vyacheslav Bich

Boutiques' Chain Director
being at the company since 1996



RedHead
Family
Corporation

Structure
of the Company

Top management of the company



Vadim Orlov

SCM Director
being at the company since 2004



Ivan Lobov

IT Director
being at the company since 2001



Larisa Vikhrenko

Chief Financial Officer
being at the company since 1998



Ivanna Andrianova

Acting HR Director
being at the company since 2007

External Board of Directors



Joseph Astrachan
USA

Professor of management and entrepreneurship at Kennesaw University (USA), executive director of the Cox Family Enterprise Center. He is on the board of directors of seven other family companies.



Reinout van Lennep
Switzerland

CEO and then member of the Board of Directors of ABN AMRO bank (Switzerland) until 2011 (over 20 years), now a freelance speaker and expert on financial planning. He is also a member of the board of directors of the Swiss auditing company Infidar Investment Advisory.



Vadim Margulis
USA

Managing owner of the consulting company JGM Group (USA), which specializes in financial analysis.

"The Land of
Childhood
Dreams" for kids
and grown-ups



Nataliya Muravenko
business coach

RedHead Missions



Mission

The Corporation's goal is to make the name RedHead a synonym for happy childhood, fun and bright impressions.

The company is striving to become an ideal workplace for its staff, where each employee can fully develop his or her creative side and make a contribution to the common cause of happy childhood in this country.

Family Business

The owners' family

RedHead is a family company with an acting founder in the role of CEO and a rising second generation of owners.

Vladislav Burda pays great attention to succession and to raising his sons, Dmitry and Timofey, to be the next generation of business owners.

Vladislav Burda is focused on the corporate management of RedHead and on providing a consistent strategy. In addition, he engages actively in educational work for the support and development of Ukrainian family business.



RedHead aspires to become “Number 1 Family Corporation” in children segment with impressive original culture.

The mission in family business

A family business is a business where the family has effective control over the strategic decisions of the business and where the business makes a considerable contribution to the family's prosperity, income and identity.

Stable connections, constant growth and long term goals – these are the advantages of a family company which attract employees and partners.

Development is connected to the concept of succession – the transfer of the family's main values and the business from generation to generation, from parents to children. That is what provides the identity of a family company.



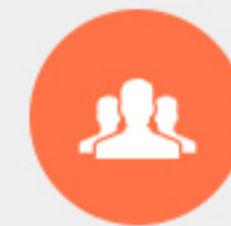
Smooth succession
in 3 generation



Well known brand
all over the world



Financially independent,
successful family
own business with
sales volume enough
to satisfy winner criteria.



Positive contribution
through social
entrepreneurship
approach



Family
Business



Pooling of interests of family owned companies

In 2009 Vladislav Burda initiated and became a founder of the Association of the family business owners in Ukraine. The Association is the Ukrainian chapter of the international organization Family Business Network – FBN.

The Association tends to provide the Ukrainian family business owners with the essential instruments for business management and transferring business to the next generation.

More than 30 families are participants of the FBN Ukraine, and the number is growing up



Rebranding of the Company

The NEW 15 Project

The company's new name, RedHead Family Corporation, was born in 2011 as a result of a long-term project for identifying the corporate ideology and strategy.

In 2009, when the company turned 15, the owners decided to change the name of the Europroduct Concern. This name did not correspond to the essence of the company, which conducts business in the market of children's merchandise, and evoked the wrong associations in the minds of our foreign partners.

The new corporate brand had to unify the essence of the children's merchandise business, represented by the corporation's business units, and become a platform for creating new directions for the business.





Rebranding
of the Company

The Corporation's new name

A RedHead is a head in which the most innovative and creative ideas are born.



A redhead is different from others. That means he has his own special path. In addition, red is a lucky colour for the company. And red-headed Antoshka has already proven that.

RedHead
Family Corporation

The foundation of the business and the strategy of the corporation are that of a family business. This advantage, set out in the name of the company, is unique for Ukraine.

Knowledge at the Company

Company's transformation under Adizes's methodology

Cooperation with Adizes's Institute is the process of optimal organization of business and company's structure transformation for RedHead Family Corporation.

Dr. Ichak Adizes's methodology implies coming through 11 stages of transformation. As a result the structure of the company is renewed, its goals are determined more clearly as well as the means of these goals achievements.



In 2007 RedHead was awarded "The Best Company of the Year" title for the most successful and consecutive implementation of Dr. Adizes's methodology among all the clients of the Institute.



Company's transformation under Adizes's methodology

Dr. Ichak Adizes's visited RedHead Family Corporation twice personally and advised the owners of the Company.

Adizes's Institute has affiliates in 15 countries all over the world. The organization specializes in management of structural business transformations.

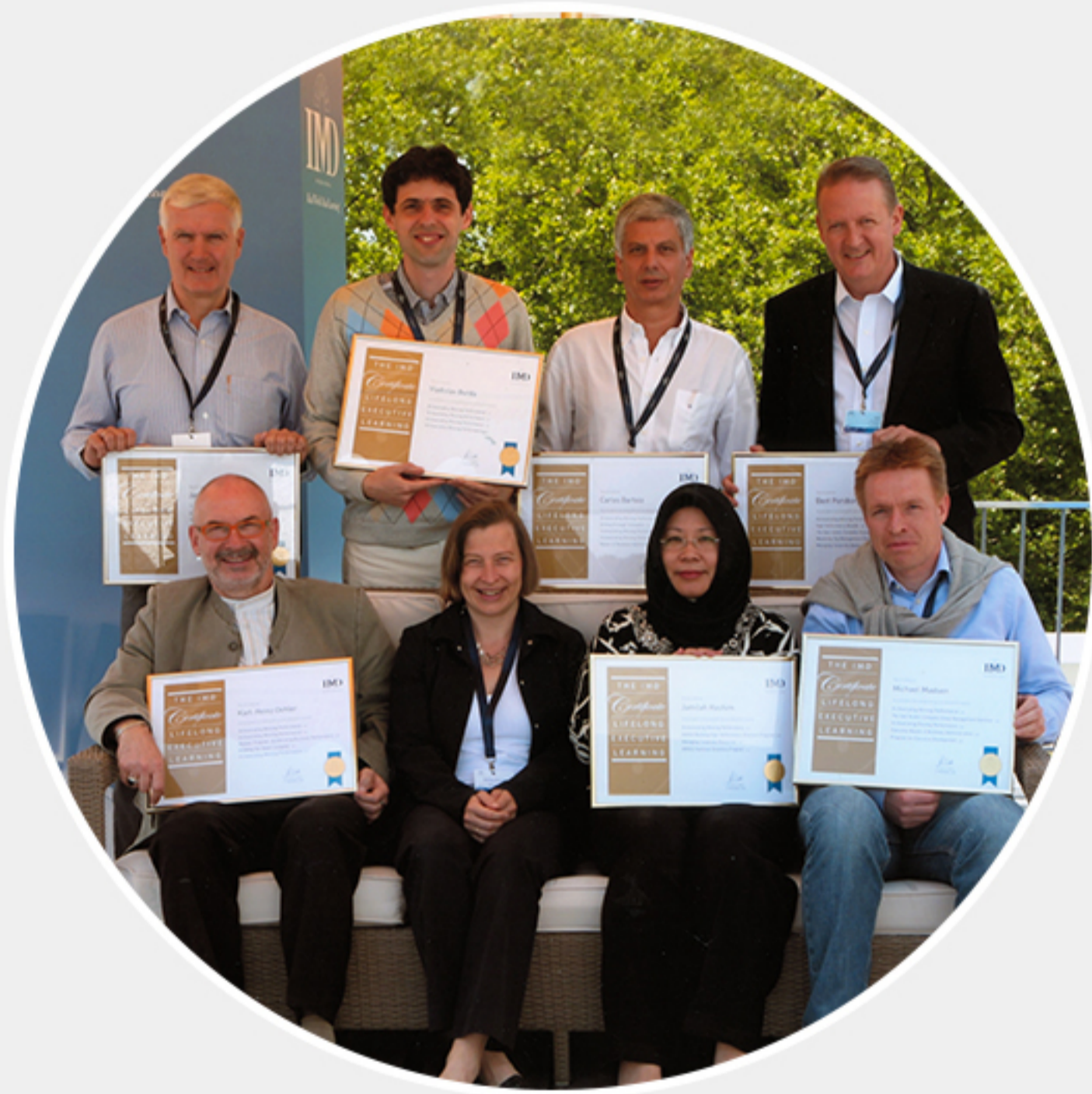
Over the last 35 years Dr. Ichak Adizes was working with many commercial organizations all over the world. He is also an adviser on political issues under the government of many countries.



Leadership programmes at IMD

The International Institute of Management Development (IMD) was organized in 1990 with the support of Nestlé. The majority of IMD's programmes are directed toward leadership development.

Vladislav Burda and the top managers of Red-Head have undergone training in several of the institute's courses, starting in 2003. The company president's first course at IMD was John Ward's programme on managing a family business.





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**Knowledge
at the Company**

Leadership programmes at IMD

In 2010-2011, four leaders of company departments, along with Vladislav Burda, participated in George Kohlreiser's leadership programme; Dr. Kohlreiser is currently one of IMD's most in-demand professors.



Exclusive education for family business owners

Since 2009 Vladislav Burda, The President of RedHead Family Corporation has been undergoing EMBA program for family business owners. FB EMBA course is founded on the basis of Kennesaw State University, the USA. The Professors Joseph Astrachan and George Manners are considered to be the recognized experts in the sphere of family business.

The program comprises the fundamental EMBA course that provides the advanced information on family business concerning strategy, finance, economics and statistics.





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**Knowledge
at the Company**

Exclusive education for family business owners

Also this program is giving deep knowledge of family conflicts resolution and influence of family genogram on family business.

FB EMBA course strongly emphasizes the financial education of a family business owner and the peculiarities of financial management in the process of transferring business to the next generations.





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Knowledge
at the Company

Avoid this!



Exclusive education for family business owners

RedHead has become the first family company in which a top manager who is not a member of the owners' family is working toward an EMBA in Family Business. Vadim Orlov, director of supply chain management at RedHead Family Corporation, is in the FB EMBA class of 2013.

Employees





A family
sense
of trust

Vlad Buber
Head of toys department in retail

**"Antoshka".
Children's
supermarkets
chain**



"Antoshka". Children's supermarkets chain

Retail chain of RedHead Family Corporation

The first Children's supermarket in Ukraine opened in 1997.

Today retail chain of RedHead Family Corporation works in **21 cities of Ukraine**.



2

"Mega-Antoshka", shopping and entertaining centers



35

"Antoshka" shops middle and premium-class clients oriented.



1

"Kazka Nova", specialty toy shop in Kiev



3

"Toshka" shops of the minimarket format

"Antoshka" in figures



1482

The personnel of "Antoshka",
"Mega-Antoshka", "Kazka
Nova" and "Toshka" shops
chain comprises



19%

Market share of "Antoshka"
on the children's goods market
in the city it operates



30 %

Lego sales
in Ukraine



450 000

Members of discount club
"Antoshka" throughout Ukraine



56 173 m²

Total area of
"Antoshka", "Mega-Antoshka",
"Toshka", "Kazka-Nova" shops chain

"Antoshka" Concept

7 categories



**Children's
nutrition**



**Baby
hygiene**



Toys



Entertainment



Clothing



Footwear



**Prams
and furniture**



"Antoshka" created a unique format of children's supermarket.

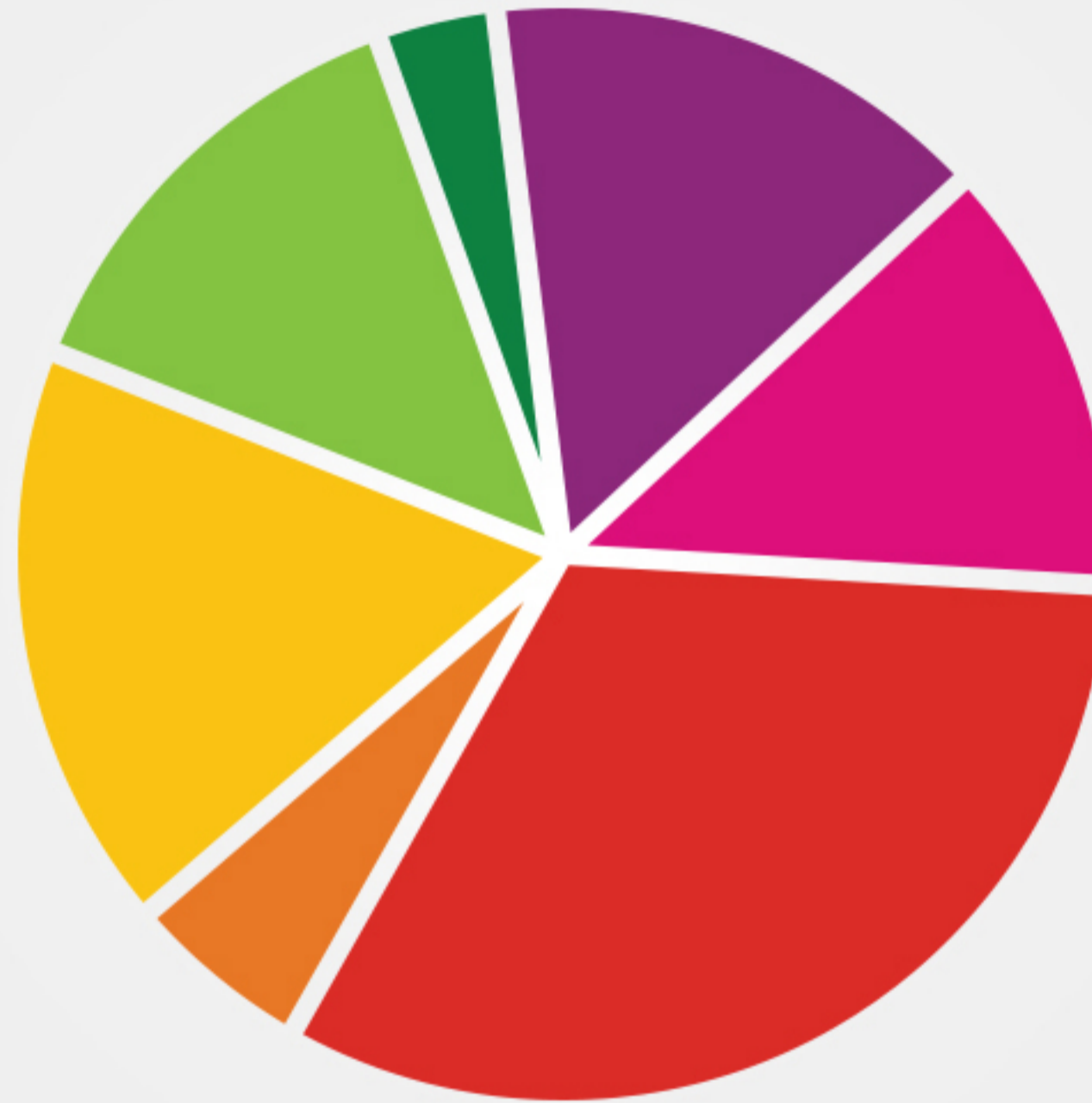


Goods are presented here in 7 categories such as children's nutrition, baby hygiene, toys, furniture, entertainment as well as clothing and footwear.



"Antoshka" format aims at meeting the needs of parents and children at age from birth to 12 years old.

Distribution of the categories at "Antoshka"



12%



Children's
nutrition

13%



Baby
hygiene

39%



Toys

5%



Prams
and furniture

20%



Clothing

9%



Footwear

2%



Entertainment

"Mega-Antoshka"

"Mega-Antoshka" is a unique format for Ukraine that combines trade areas and entertaining ones for children.

Departments of children's nutrition, hygiene and accessories, clothing and footwear, toys, furniture and prams occupy several floors at "Mega-Antoshka".

A great variety of entertainments are offered at "Mega-Antoshka". There are slot machines, playgrounds and creative studios.

One can also find hairdresser's and café here. Parents can consult a pediatrician about their children.





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"Antoshka". Children's
supermarkets chain

"Mega-Antoshka"

Total area

8595 m²

"Mega-Antoshka" in Kharkov
is the largest children's
shopping and entertaining
center in Eastern Europe.



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"Antoshka". Children's
supermarkets chain

"Mega-Antoshka"

4175 m²

Total area of the shopping
centre "Mega-Antoshka"
in Odessa



**Daniel.
Children's
boutiques
chain**



Daniel.
Children's boutiques chain

RedHead in the luxury segment of children's fashion

The company launched the fashion area of its luxury segment in 2003.

The acquisition of the Daniel chain in 2006 and its subsequent development has made it possible to concentrate on the leading brands of children's fashion.

Today the chain of 14 children's luxury boutiques includes multibrand Daniel Boutiques and Daniel Avenue galleries of single-brand boutiques, as well as the children's interior design studio Vibel.





Daniel.
Children's boutiques chain

World brands at the Daniel children's boutique

The multibrand Daniel Boutique combines lines of children's fashion from La Perla, Paul & Shark, Burberry, Galliano, Cavalli, Ferre, Fendi, D&G, Donna Karan, and Gaultier.

There are Daniel Boutiques in three large Ukrainian cities (Kiev, Odessa and Kharkov).





Daniel.
Children's boutiques chain

Daniel Avenue – a galleria of single-brand boutiques

The luxury brands I Pinco Pallino, Miss Blumarine, Armani Junior, Liu-Jo Junior, Baby Dior and Monnalisa are exclusively represented in Ukraine at single-brand boutiques in a unique format – Daniel Avenue. The fashion gallerias in Kiev and Odessa give clients the ability to shop for exclusive brands in their own brand spaces, going from one boutique to another along a single fashion "street", Daniel Avenue.



LIU·JO
junior

I PINCO PALLINO
IMELDE & STEFANO CAVALLERI

babyDior

Miss Blumarine

MONNALISA

ARMANI
JUNIOR





Caring
for future
generations

Irina Balashova
Chief of purchasing and supply

National Distribution



RedHead
Family
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**National
Distribution**

Brands distributed by RedHead Family Corporation

RedHead's distribution department is the national leader in the baby food market.

RedHead also exclusively represents world brands in the categories of toys, children's hygiene products, clothing, prams and furniture.

RedHead has held its leading distribution positions on the market for almost 20 years, covering all regions of Ukraine.



RedHead's Distribution in figures



10 500

Retail outlets, 5,350
of which are covered directly



30

Brands of children's merchandise
represented in Ukraine
and Moldova on exclusive terms



65

Retail chains in Ukraine
(among which are Fozzy Group,
Tavria V, Furshet, Eco Market,
Metro and Auchan)



150

Sales specialists
and merchandisers



28 000 m²

Warehouse space



100%

Mobility in sales: all employees
in the sales department are
equipped with PDAs with the capability
of monitoring retail outlets
and merchandise inventories
in non-stop mode



RedHead
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**National
Distribution**

Exclusive brands

Among the brands which RedHead distributes exclusively in Ukraine are famous leading brands in the categories of baby food – Nestlé, Bebi, Semper, and Sady Pridonya; children's toiletries and hygiene products – Bübchen and Baby-Nova; toys – Tolo, Meccano and Playmobil; and furniture and prams – Pali and Bébécar.



Питание



Гигиена



Игрушки



Мебель
и коляски

Nestlé

Bebi

Semper



BABY NOVA



playmobil



The RedHead distribution department. Main advantages:

- Possession of a large volume of information on the market and on consumers in the baby food category.
- Corporate experience in the building of a retail network (Antoshka) and the ability to use it for joint marketing programs with distribution partners.
- Implementation of a product mix and a category management service. The ability to completely take the creation and supplying of children's sections in supermarkets upon itself.



**Private
label brands**



RedHead
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Private
Label brands

The creation of private label brands in the RedHead Corporation is the natural result of accumulated experience and expertise in the children's merchandise market.




ВПЕРШЕ
НА КОЗЯЧОМУ
МОЛОЦІ!
SMARTY FAMILY

(Written on the wobbler:
For the first time -
made with goat's milk)



Smarty Family is a "smart" family of baby food which meets the highest quality requirements. The RedHead Family Corporation is launching an entire line of products needed in the first year of a baby's life under the Smarty Family brand.

In each of the Smarty Family categories, the innovative approach typical of RedHead can be seen. For the first time on the Ukrainian market, Smarty Family is introducing cereals based on natural goat's milk.

The production of Smarty Family is located at the best European facilities specialising in manufacturing baby food.

History of the Company

The meeting of Vladislav Burda and Nina Galina and the beginning of their joint management of the company



The launch of cooperation with Nestlé.
The first "Antoshka" supermarket opening.



1994
year

Creation
of the company



Nina Galina

1995
year

1996
year

The launch of Bebi
and Frutek direct supplies



1997
year

2003
year

Entering in luxury-segment
and boutique "Heir" opening
in three cities of Ukraine.

2004
year

The launch of cooperation
with Adizes's Institute.

The organization of the
first "Antoshka Cup" tennis tournament.

"Mega-Antoshka"
shopping center
opening in Odessa.

2005
year



DANIEL
KID'S CLOTHES & SHOES

2006
year

Purchase of "Daniel" and opening
of the boutiques in 5 cities.

"Mega-Antoshka"
shopping center
opening in Kharkov.

2008
year



2009
year

RedHead joining
FBN International.



History
of the Company



The NEW 15 project:
formation of new corporate
identity and the searching
of new name for corporation.
Rebranding.

Nina Galina passed away.
Company's transition from the family model
to the entrepreneurial model of business



Creation of RedHead's strategic declaration.
The launch of the first private label product
of RedHead - Smarty Family.