

Business plan for 2007-2008

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YAMATAKE CORPORATION

&

“UNIKOM” SCIENCE AND TECHNOLOGY GROUP

Contents:

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- 1. Position currently held by Yamatake Corp. in the Russian market.
- 2. Market situation regarding the control and measuring equipment.
- 3. Activity campaigns.
- 4. Planning marketing events.
- 5. Forecasting and expected returns.

1. Current situation.

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- Yamatake Corp. has been away from the Russian market for more than 20 years.
- *It has lost its primary positions as a supplier of control valves and measuring equipment.*
- *There is no technical support available and no partnerships founded in Russia.*

1. Current situation.

(year 2007)

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- Distributorship Agreement has been signed between Yamatake Corp. and Unikom (April 2007).
- Unikom is engaged into the Agreement with OVAL (Japan) and possesses an experience in selling its equipment – streamlined channel of logistics, funds' flow, experience in dealing with regulatory authorities and Japanese companies.
- Required certificates and permissive documents from GOST have been procured for SVP (Smart Valve Positioner), MagneW (Electromagnetic flowmeter), Limit Switch.

2. Market environment

(lead branches)

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- 1. Petroleum / gas production (approx. 10 large companies)
- 2. Petroleum / gas refining (approx. 25 plants)
- 3. Chemical and petrochemical enterprises (nearly 55 plants)
- 4. Metallurgy / aluminium plants (3 large holding companies)
- 5. Pulp and paper industry (more than 15 plants).
- 6. Pharmaceuticals (over 30 plants and factories)
- 7. Food industry (∞)
- 8. Housing and utilities (∞)

2. State of the market

(basic requirements / distinctive features)

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- Low temperature withstanding design (from -40 C°)
- Explosionproof design
- High reliability

- Importance of pricing policy within the highly competitive market environment for imported equipment.
- Quality of technical support and after-sales service.
- Opportunity of providing required technical data and quotation within the shortest term.

2. Market environment

(top competitors)

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CONTROL AND MEASURING EQUIPMENT

- Emerson
- Endress+Hauser GmbH.
- Yokogawa Electric
- Kanex Krohne GmbH.
- Siemens
- Invensys/Foxboro

CONTROL VALVES AND ACCESSORIES

- Samson
- DC-Controls

3. Activity campaign.

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ELECTROMAGNETIC FLOWMETER

- Aluminium industry
- Pulp and paper industry
- Housing and utilities
- Chemicals – waste and industrial waters
- Food industry

CONTROL VALVES AND ACCESSORIES

- Chemicals (fertilizer production)
- Petrochemicals

OTHER EQUIPMENT

4. Planning marketing actions.

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- Monitoring the market condition
- Launching the web-site (www.yamatake-russia.ru)
- Printed advertizing
- Direct-mailing of topical (issue-related) information
Exhibitions and seminars
- Participation in tenders and competitions
- Testing of equipment

4. Marketing actions (monitoring the market state)

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- Top priority objective – informing potential customers of the activity and capabilities of Yamatake Corp. in Russia:
 - *Framing and expanding of the customers' database.*
 - *Obtaining data on basic operating procedures and customers' requests and requirements.*
 - *Monitoring the activity of rival companies.*

4. Marketing actions

(web-site)

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- Web-site of Yamatake – Russia (www.yamatake-russia.ru)
- Content:
 - *Introduction of the company*
 - *Industrial equipment portfolio of Yamatake*
 - *Technical descriptions of the instruments and data application sheets for placing orders.*
 - *Available technical documentation and certificates.*
 - *Contact information .*

(adjustment of the content)

4. Marketing actions

(printed advertisement)

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- Special-purpose periodicals (Control Engineering, etc.) – articles and advertisement blocks.
- Internet publications and catalogues – advertising blocks and announcements /news.
- Exhibition printables.

(adjustment of the content)

4. Marketing actions

(direct-mailing)

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- Designated postings (mailings) to key experts of major customers:
 - *Newsletters and announcements.*
 - *Technical bulletins and information.*
 - *Invitations to seminars and exhibitions.*
- (adjustment of the content)*

4. Marketing actions

(exhibitions and seminars)

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- Participation in lead exhibitions (probably jointly with OVAL Corporation):
 - *NEFTEGAS, Metrology, Chemicals...*
- Presentation of the primary equipment.
- Inviting potential customers.
- Technical workshops regarding the equipment in use.
- Visiting potential customers.

4. Marketing actions

(testing of the equipment)

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- Since the control and measuring equipment of Yamatake is almost unknown in Russia it will be required to test it on a customer's site, the tests have been passed, the customer will pay for the equipment
 - *Electromagnetic flowmeters MagneW*
 - *Smart Valve Positioners SVP*

4. Marketing actions

(office in Moscow)

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- Starting office of Unikom in Moscow. Main targets:
 - *Maintenance of close liaisons with customers (head offices of the largest companies).*
 - *Convenient logistics and arrangement of funds' flows.*
 - *Making convenient the visits to customers residing in regional areas.*
 - *Facilitated arrangement of exhibitions.*
 - *Manageable cooperation with the European office.*
 - *Participation in tenders and competitions.*
 - *Pursuing the Russian mentality.*

5. Forecasts and expected returns.

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- **Criteria of assessment:** number of inquiries and volume of sales.
- Frequently up to 6 months separate the date of inquiry from the date of ordering equipment.
- Realizable level of sales for the 1st year makes up to 200 thousand Euro (without participation in large tenders and undertaking large projects).