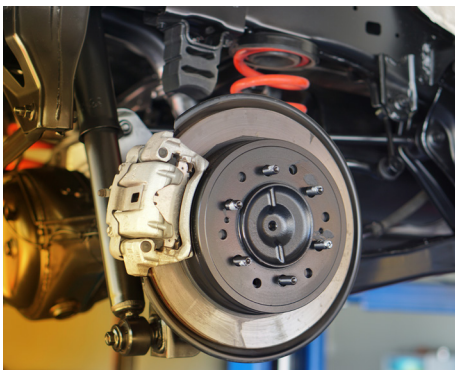
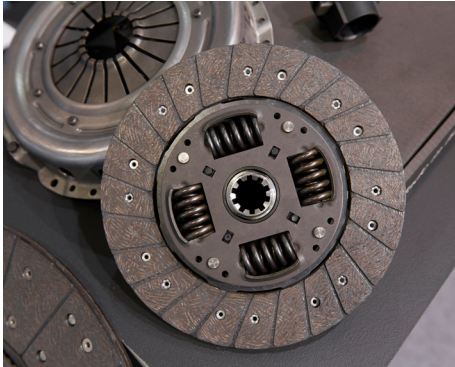


Case Study

IAM Parts Brand Considers Changing Russian Route to Market



A German automotive aftermarket manufacturer sells to a range of established Russian, Belarussian and Kazakh distributors but margins were under pressure, their market share was decreasing, and some changes needed to be considered.

Starting Situation

The established partners were pushing prices down, selling competing products, and listing only a portion of the available product portfolio. From existing sales statistics, it was clear that the market potential was big but management would only consider serious investments in local infrastructure if there was a sustainable route to market with good volumes and attractive margins.

Solution

The manufacturer preferred to consider appointing Hellmann as the Importer of Record as this requires minimum investments and recurring fixed costs. After budgeting the investment requirements for certification and customization in our B2B sales platform, we contacted a range of existing and potential distributors to introduce the overall product portfolio, cross references, and DDP prices.

Once they checked the pricing in their internal databases, several confirmed an interest to cooperate. We started with a cross-docking solution and after six months, we upscaled to a local stock enabling next day deliveries.

Conclusion

The manufacturer continues selling on EXW terms to companies that prefer to import themselves, but also sells customs cleared products to companies that prefer local Ruble contracts. Appointing Hellmann as the Importer of Record minimized their recurring fixed costs and avoided having to establish and manage their own team and infrastructure. At a later stage, the manufacturer can always decide to open their own entity and act as the importer themselves.

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