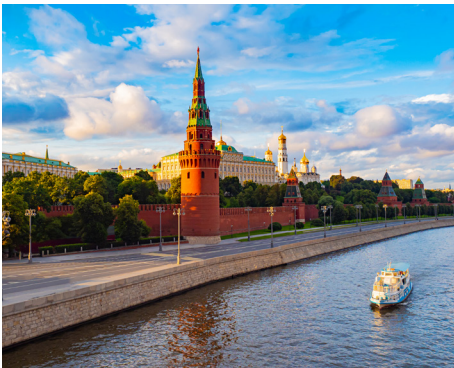


# Case Study

## Medical Tool Specialist Considers Changing Russian Approach



A German manufacturer of medical supplies considered changing their Russian route to market model. Competition continues to get stronger, both because of new companies entering the market and established companies increasing their service level.

### Starting Situation

Instead of selling products to two large distributors who then collect the products from Germany and import clear themselves, the company considered opening their own legal entity in Russia in order to sell already customs cleared products in ruble contracts from a Russian warehouse. This would enable the company to attract additional local partners in various sales channels. The company wanted to know if the market potential was large enough to cover the related additional risks and costs.

### Solution

Hellmann provided an objective market overview by mapping the anticipated costs of the local infrastructure, the risks related to sales in local ruble contracts, and the additional business potential that would be created through a local setup.

This would provide the company with actionable insight in the key decision drivers on whether to change strategy. Hellmann also proposed an alternative solution with almost no recurring monthly fixed costs by appointing Hellmann as the Importer of Record, Hellmann would perform all local activities with an established infrastructure, B2B platform, and team. The manufacturer agreed and, at a later stage, when the potential was proven and some local manufacturing could be considered, the manufacturer might open its own entity in Russia.

### Conclusion

The manufacturer entered Russia in a careful way while taking full control of their local strategy, pricing, and service level.

### Contact

Wijnand Herinckx  
Director Trade Solutions  
Phone: +7 926 301 0502  
Email: [wijnand.herinckx@hellmann.com](mailto:wijnand.herinckx@hellmann.com)  
[www.hellmann-hts.com](http://www.hellmann-hts.com)