



Marketing & Trade Boost Company Growth

Rossika, a young company in Kazakhstan founded in 2002, specializes in the production of plastic doors, windows, and stained glass. The company, which employs thirty people, differentiates itself through the use of high-quality components. However, Rossika was unable to grow sales, and was having difficulty positioning and promoting its products.

Konstantin Aksenov, director and founder of Rossika, was told about the USAID Enterprise Development Project (EDP) by a client. Aksenov sought help to improve the sales and marketing position of his company. EDP helped Aksenov analyze his company's product lines, revenue stream, and client portfolio in order to generate a marketing strategy. The key points of the strategy included development of a clear product message and associated target markets.

Based on local market potential, Aksenov was advised to shift his target market from large public entities to smaller private companies, while courting a few large companies for long term contracts. To support the marketing strategy, USAID also assisted Aksenov in obtaining a \$3,800 advertising contract with White Bear Advertising, another EDP client.



Photo: Enterprise Development Project

Increased demand means shop floor operations are working at increased capacity.

The USAID Enterprise Development Project operates in Kazakhstan and throughout Central Asia. Working with small and medium-sized businesses, the project provides expert business consulting services to build long-term capacity in the small business sector. USAID helped Rossika create a strong message focused on product quality and durability.

Within just six months of participating in the program, Rossika generated a significant number of small private customers while establishing five strategic contracts with large enterprises. Concurrently, production volume has increased by 100%, resulting in a revenue increase of 140% from \$15 million to \$43 million. Capacity utilization is on the rise, from a low of 20% in January 2003 to 55% by the beginning of 2004, allowing for plenty of room for continued increase in output. As a result of increased production, Aksenov has added two more staff positions and leveraged his company's purchasing power to negotiate lower supply costs.

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The additional profits were immediately invested in the company's growth. USAID helped Aksenov enter into a fourteen month lease contract for additional factory space from a local food processing company. Funds were also invested in additional equipment for the production of aluminum goods, further strengthening Rossika's competitive position.

Two ensure continued growth, Rossika participated in a revenue-sharing compensation model for its sales force. The new structure, which has already increased the sales managers' personal monthly pay from \$150 to \$370, provides a stimulus for continued sales growth and portfolio diversification.

