



VOLGA-DNEPR
GROUP

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about & for V D LEADERS

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NUMBER OF THE MOUTH:

70-tons – is the weight of single piece cargo for oil and gas industry, which was delivered by Antonov-124-100 "Ruslan"

QUOTATION OF THE MOUTH:

«Zeal without knowledge is fire without light».

Thomas Fuller,

English historian and biographer

TATYANA ARSLANOVA: "OUR STRATEGY-2015: KEY DEVELOPMENT PROJECTS"

Interview with Tatyana Arslanova, Group Vice-President, Strategic Management and Charter Cargo Operations.

– Tatyana, survival and growth were the main Group tasks in the last year. Do you think they were completed entirely? If yes, what are the reasons?

– In my opinion, the tasks are completed entirely: we not only managed to survive, but also implemented our opportunities to grow according to market capabilities, especially in Asia and America. Cargo traffic in our key industries was developed for our customers. We stayed within the approved budget and achieved good results in sales and charter cargo operations business in the second half of 2014. For 9 months of the last year ABC managed to achieve better profit results, than it was budgeted.

What else was performed? We concentrated our efforts and distributed managing and performing resources of employees, who try to achieve specific results in procurement, production, sales and establishment of relationships with the customers. We responded quickly to the market changes: its growth and cargo market disruption. It is clear that the year was difficult, geopolitical situation and relationships between Russia and Ukraine, Europe and the USA changed. Due to support of our customers and team-work of more than 3000 employees, we managed to neutralize the main danger, having minimal influence on the business results of 2014.

– What are the main company tasks in Anniversary Year 2015? What is the strategy of this year?

– The strategy is based on objective, stated in 2014: survival and development with the focus on implementation of development projects. 2015 is a year of action for key projects concerning the strengthening of our relationships with the customers and infrastructure development to meet requirements of the customers. We need to establish closer relationship with the customers; I mean not just holding of meetings and events as in 2014. Let's ask ourselves: how close are our customers to Group infrastructure (sales centers, operations control centers, managing company),



can our experts speak the same language as our customers, can they easily reach customers within the same regions. Then we need to create really international team. Engagement of top managers from Luxembourg to ABC was last year's achievement. It helped ABC meet the requirements of the market. This tendency will be continued in the Group in 2015.

2015 is a year of action for modernization of An-124 aircraft, the change in technology of aircraft market utilization and the service that we provide, including obtaining of rights and overflying permit, loading/unloading technology for different types of cargo that we use for our key industries, as well as communications, training of sales experts, implementation of proactive marketing in business and realization of projects as in Papua New Guinea.

As to ABC, we need to achieve the profitability indexes of 2014 based on regularity and punctuality, exceed the leaders of industry in transportation of important types of cargo. Our competence, historically developed for 25 years, lies in transportation of heavy over-sized cargo. At this moment we understand that ABC still lacks expertise in technology of transportation of such cargoes and tries to keep up with Cargolux in this respect.

(the end of the interview see on page 2)

(the end of the interview with T. Arslanova)

Our aim is to achieve and surpass the results of this company. In addition, our employees must have certain skills and abilities to transport some types of cargo, for example, pharma, express, cold-chain, which must be included into the list of transported cargo.

That's why the strategy of 2015 is oriented to realization of specific projects, achievement of specific results through efforts of our team and engagement of international personnel.



– What did we managed to do in 2014 for education and development of the Group? How can we achieve better results in 2015?

– There are three key achievements:

1. We managed to establish corporate communication forum, where people, holding different positions, communicate with each other. It is very important to establish such forums on different functions, as well as interfunctional and international forums.

2. Due to this corporate communication forum we managed to develop the common language, establish our key management standards and values, appeared during 25 working years. We started to discuss the strategy, ways of the company development during 25 years and our future plans.

3. We started to create a knowledge base that can be used by working employees and future personnel. This base will include information about applied and new ways to meet the customers' requirements in future.

How can we improve these results in 2015? Establishing this corporate communication forum, where people do not fear to communicate to each other and know the names of international employees, it is important to develop the certain skills. As to marketing and sales school, our communication skills are not still perfect according to results of the last year, but it is the basic skill for sales and marketing experts. It is important to speak the same language with the customer, understand his re-

quirements and have opportunities to implement these requirements in production and other Group units. We should also develop the skill of cooperation, anticipation of events and decision making. And, of course, Kuehne + Nagel University is a good example for development of the Group Corporate University.

– You are one of the leaders of marketing and sales school. Could you tell us the results and achievements of the school in 2014? How can it help the Group activities?

– Speaking about all schools of the Corporate University, including the marketing and sales school, we managed to improve cooperation due to the corporate communication forum, where people meet and communicate. People do not hesitate to phone employees from other office and businesses, to ask a question. We achieved the pragmatic results: better cooperation in arrangements of charter operations between offices, engineering and logistics services. Now we see the exchange of inquiries between the businesses. Even if one company (ABC or Volga-Dnepr Airlines) is unable to perform the transportation, there are capable synergetic projects that we refer to the Group development strategy. More charter operations on Boeing 747 are performed according to the figures and volume of sales, especially during the high season of operations from Asia to America because of the dock strike.

But with regard to development of skills and subject that we discussed, it is just a small step to achieve the teamwork, proactive marketing and sales ideology as our key strategic objective by 2030.

That's why we will continue establishing of at least 3 corporate communication forums in 2015:

1. Regional trainings on cooperation efficiency using communication skills of sales experts as a lesson learned from the last year.

2. Training of the best employees. It is a school for 25-30 best sales experts, who realized their potential to take the management positions in the Group. We speak about combination of internal and external training on the key competencies. And now we consider that this forum will contribute to creation of the one Group sales center in the UK and cooperation with IATA customers.

3. The third corporate communication forum is connected with the top level and dedicated to the celebration of 25 anniversary of the Group. It is our con-

tinuous ideology of direct communication with the customers at all levels. This forum will include industrial roundtable discussions (oil and gas, aerospace), communication with the customers, discussion of the certain industry problems, decision making. What are the ways to meet the requirements, solve the problem by means of reliable logistic services? What additional solutions can we provide to logistic subdivisions of the large industrial corporations? In 2015 we plan to hold 6 roundtable discussions. It is important to use the conclusions, lessons and knowledge in the company activity.

– Tatyana, what do you tell your children about the strategy and marketing? What would you like to tell today pupils and students?

– Just simple things. Marketing is a way to do good deeds and help people to solve their problems, meet their requirements, wishes and sometimes whims. And I think we have a lot of examples of activities that my children remember, for example, transportation of elephants and dolphins to the zoos. When children go there, they understand that it is a part of our work.



For example, if a child in Latin America wants to have mobile phone, ABC can deliver it from Zhengzhou. Volga-Dnepr Airlines can also deliver the satellite to establish communication and activity of this mobile phone.

Speaking about the strategy, it is an answer to the question what we can do to meet these requirements. It is also an attempt to guess the possible changes of wishes and requirements, possibilities in future and changes of ourselves. It is what we must learn, how we must communicate with each other to have an opportunity to provide benefit in future.

Alexey SERYGIN

GET KNOWLEDGE – GET INSPIRED!

Natalya Plotnikova, Deputy HR Director, VD Group, told about the lessons at PROFI School of management:



– The main thing I would like to note is that all lessons were held on-the-job in order that we apply all acquired knowledge practically. In my opinion,

corporate education makes an opportunity to understand processes of the company and establish cooperative relationship with internal customers. We get to know each other better, cooperate in solving business tasks and achieve results more quickly. Leadership training and client-oriented event were the most memorable. I made a conclusion that it is very important to engage employee, internal or external customer in the problem solving, to inspire them and convince that everything is possible to realize. And then you really get new experience, new knowledge – a win-win approach.

Corporate University in Instagram!

Corporate University has started its account in Instagram. Sign up for the updates: **Univer_vdg** to stay informed.



Global Volga-Dnepr arrives in Russian winter!

The third session of Global Volga-Dnepr school has gathered 48 employees on February 9-10 in a picturesque place on the bank of Volga river in Ulyanovsk.

Colleagues from different parts of the world have had the opportunity to enjoy the beauty of Russian winter and traditional Russian amusements. And well-coordinated work of the team

turned this meeting into an unforgettable adventure.

President of the company **Alexey Isaykin** summed it up: "The feeling of unity under the flag of Volga-Dnepr. This session is the opportunity for the regions and headquarters to communicate. Every year the company is changing, and today I reacquainted with it. This acquaintance charged with optimism, and it is very important to think how to convert this enthusiasm into a real life."

"KNOWLEDGE IS POWER!" EMPLOYEES SHARE THEIR OWN EXPERIENCE

We create a new section in our newspaper to let employees of the company share their own experience and tell about their impressive results due to anxiety for knowledge.

Artem Mikhaylyuk, Legal Adviser, International Law, Relations with international organizations, was the first who told us his story.

Artem said: "I actively improve my knowledge of English language. Late in 2013 I decided to take 3-month training course in Canada". But at that time employees of Canadian Embassy in Moscow went on a strike. Citizens of Russia were unable to get visas for many months. When just several days remained before his flight, Artem decided to act proactively: he drew a big poster with request to grant him a visa. He stood near Embassy of Canada

for two days holding his poster.

– Many people considered this idea to be useless, – Artem said. – But I intended to obtain visa. If you make an effort, you can achieve result. And if you do nothing, the result is evident.

Artem touched the feelings of Embassy employees and one of them came to our colleague, put down his contact information and said: "Go home! We must see what can be done for you". Soon the issue of visa was confirmed. Artem completed the training in Canada, being the only person from Russia.

– Each situation can always be resolved, even if at first it seems to be impasse, – Artem Mikhaylyuk commented. – The decisive fact here is yourself confidence!

Dear colleagues! Send your stories to Alexey Seryogin: aleksey.seryogin@volga-dnepr.com.



Artem Mikhaylyuk

Volga-Dnepr Moves Express AM7 And AM8 Satellites to Baikonur Cosmodrome for Launch

Volga-Dnepr Airlines delivered the Russian telecommunications satellites Express AM7 and Express AM8 to the Baikonur Cosmodrome launch site in Kazakhstan.

The AM7 satellite has been successfully launched today, on March 19, and the AM8 satellite is scheduled for launch on April 6.

Flights carrying the satellites operated from Toulouse in France and from the Russian city of Krasnoyarsk using a special shipping container to safely transport the cargoes

onboard Volga-Dnepr Airlines' An-124-100 freighter. To keep the delicate and highly-precise equipment safe, Volga-Dnepr's experts ensured the cargo hold was maintained at very specific pressure and temperature levels throughout the flights, and the flight also operated at a lower altitude of 32,000 feet. Special loading equipment developed by the airline was also used to ensure safe loading and offloading.

The Express AM7 and AM8 satellites have been manufactured on behalf of the Russian Satellite Communi-

cations Company. Express AM7 was made in France by Airbus DS, while the AM8 satellite was built by the Reshetnev Company in Russia, a leading manufacturer of information satellite systems. The telecommunications satellites will provide high quality landline and mobile telephone services and also support digital video and radio broadcasting, high-speed Internet access (HSIA) and data transmission.

In 2014, aerospace cargoes represented 42% of Volga-



Dnepr Airlines' charter business, growing by 50% year-on-year. Volga-Dnepr delivers one in three of all satellites in the world. In 2015 to date, the airline has operated seven flights delivering space equipment.

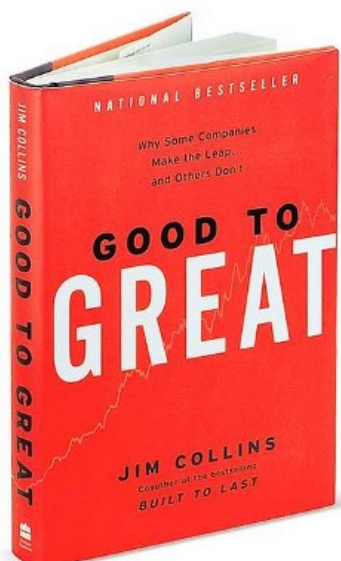


Dear friends!

We welcome your feedback and any suggestions that you can send on the corporate portal my.volga-dnepr.com in the public community "Corporate magazine VD-Leaders" or send email to: aleksey.seryogin@volga-dnepr.com. Please use your extended e-mail to access to the corporate portal, for example, james.anderson@volga-dnep.com. Also use your Lotus password.

Let's do this magazine together!

Book of the month. Good to great: Why Some Companies Make the Leap... and Others Don't



We continue our column about one of the recommended business books.

In March, the book of the month is a management book by Jim Collins "Good to great: Why Some Companies Make the Leap... and Others Don't". The book was a massive best-seller, selling four million copies and going far beyond the traditional audience of business books.

Seven characteristics of companies that went from "good to great":

1) Level 5 Leadership: Leaders who are humble,

but driven to do what's best for the company.

2) First Who, Then What: Get the right people on the bus, then figure out where to go. Finding the right people and trying them out in different positions.

3) Confront the Brutal Facts: The Stockdale paradox—Confront the brutal truth of the situation, yet at the same time, never give up hope.

4) Hedgehog Concept: Three overlapping circles: What lights your fire ("passion")? What could you be best in the world at

("best at")? What makes you money ("driving resource")?

5) Culture of Discipline: Rinsing the cottage cheese.
6) Technology Accelerators: Using technology to accelerate growth, within the three circles of the hedgehog concept.

7) The Flywheel: The additive effect of many small initiatives; they act on each other like compound interest.