



## Dedication to your goals

PROCUREMENT • TRANSPORT • STORAGE • SUPPLY • DISTRIBUTION • IT AND  
MONITORING • OPERATIONS MANAGEMENT

## Capabilities of the company

2011, September

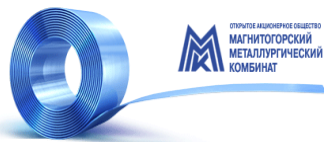
# Clients and Partners A DAN DZO



LLP "Kazakhmys Corporation" (2008, 2009, 2010, 2011)  
ROSENERGOATOM, Smolensk atomic station (2010, 2011)  
OJSC OHK «Shchekinoazot» (2011)  
LTD «Stal'Prom» (2011)  
OJSC «Polus Zoloto» (2008)  
OJSC «Eniseyskaya TGC» (2008)  
JSC «United metallurgical company» (2008)  
JSC «Alrosa» (2008)  
GOC «Grein holding" (2006, 2007, 2008)  
JSC UChC «Korolevskiy pipe plant» (2008)  
OJSC «TNK-BP Menegement» (2007)  
OJSC «Kol'skaya Mining and Metallurgical Company» (2007)  
OJSC «Voljskiy pipe plant» (2006)  
OJSC «Kirovo-Chepetskiy Chemical Combine» (2005)  
OJSC «Ural Chemical Company» (2006)  
OJSC «Magnitogorsk Metallurgical Combine» (2004)  
3AO «Trade Company Wimm-Bill'-Dann» (2000)

JSC «TNK-BP Procurement» (2005)  
JSC «Interlizing-Farm» (2005, 2007)  
LTD «Smainex» (2007)  
LTD «CD COM Distribution» (2007)  
OOO «Landor-Trade» (2005)  
OOO «Pragmatic Express» (2006)  
3AO «Mackdonalds-Moscow» (2000)  
OOO «Terminal-Vostok» (2007)  
OOO «Bayer CropSaiyens (2005)  
OOO «Landor-Trade» (2007)  
OOO «YuniMilk» (2006)  
OOO «Gammahim-Invest» (2006)  
TC «Shatura» (2002)  
OC YUCOS (2003)

And others...



ОАО КИРОВО-ЧЕПЕЦКИЙ  
ХИМИЧЕСКИЙ КОМБИНАТ  
им. Б.П.Константинова

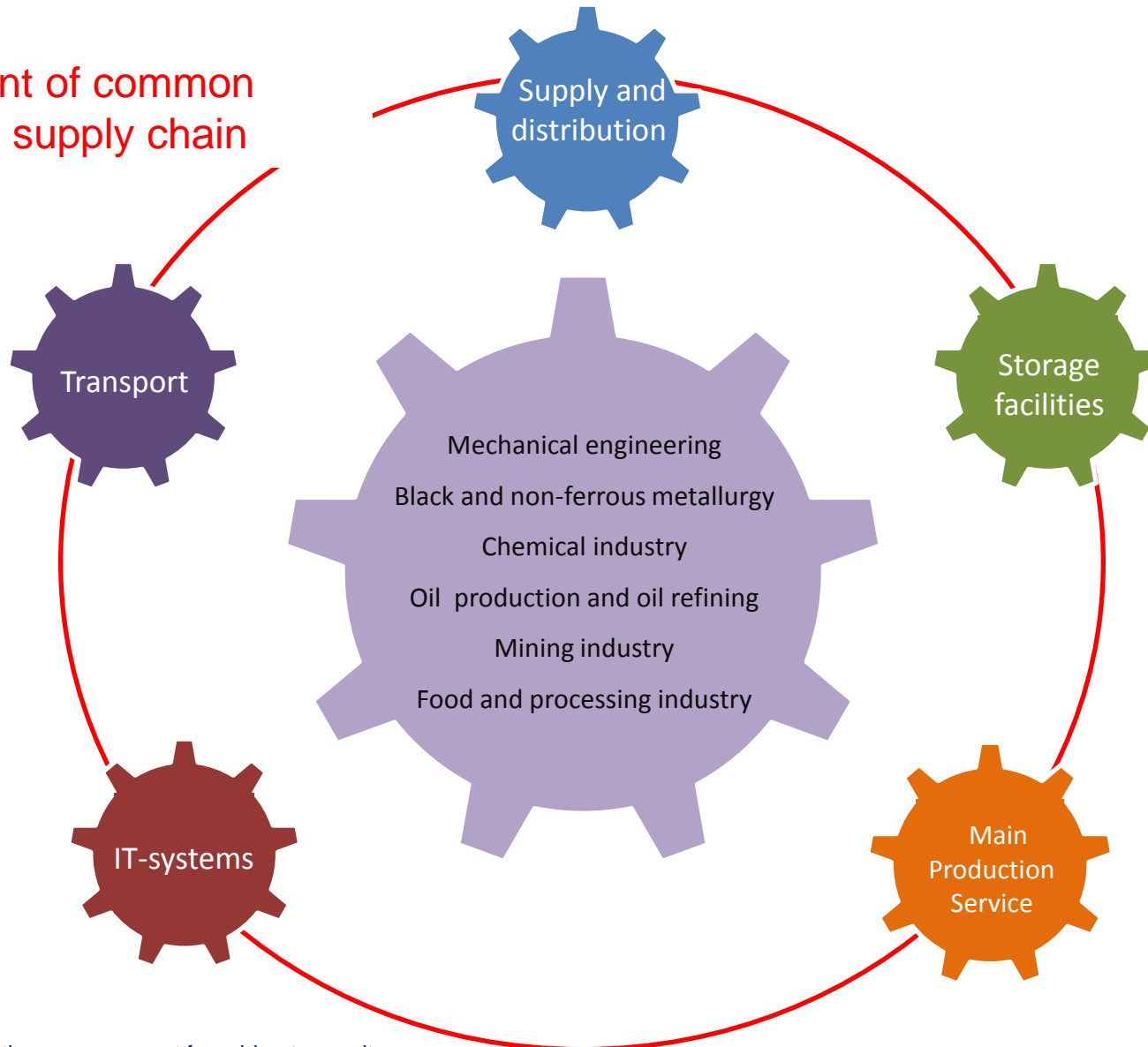




**Work A DAN DZO  
received numerous feedback from customers**

# Business concept of A DAN DZO

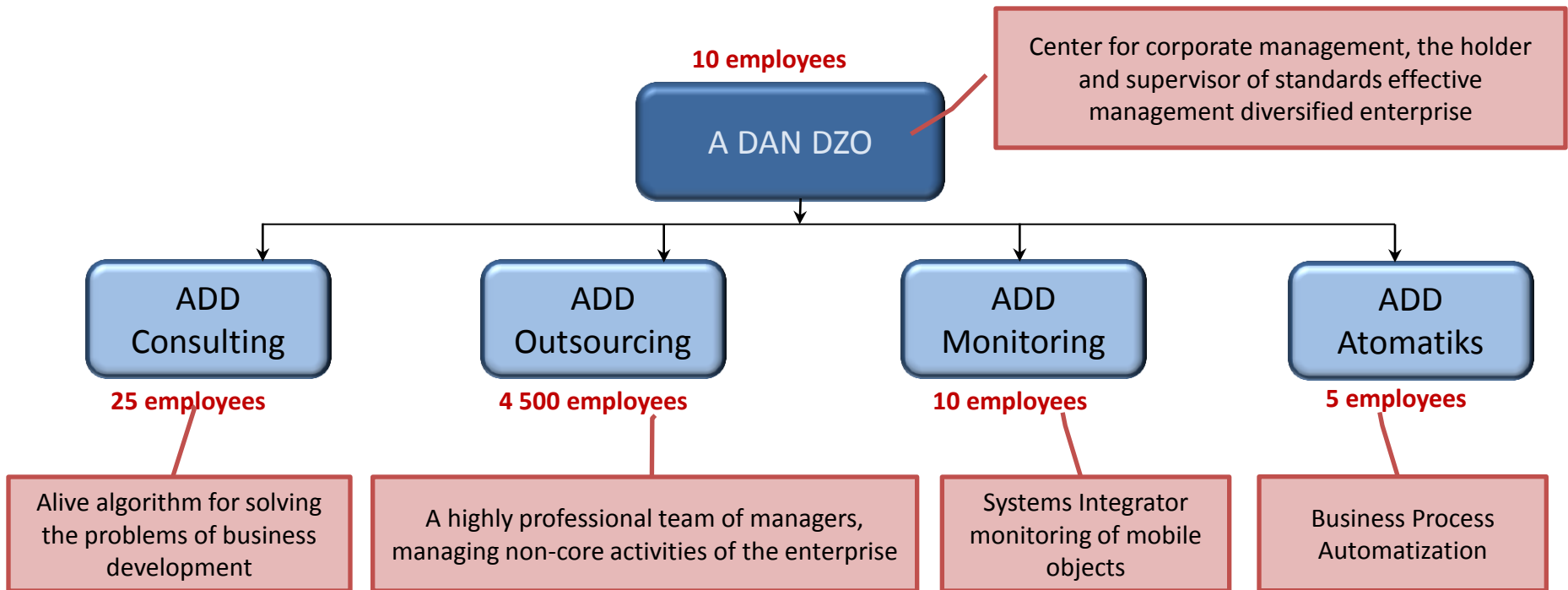
Management of common costs in the supply chain



# Main business-direction

# The way of A DAN DZO

- 2000 – Start a consulting practice
- 2005 – «Born» brand «A DAN DZO»
- 2008 – The reorganization of the group of companies "A DAN DZO Standard Group"
- 2009 – Opening of branches in Kazakhstan and Russia
- 2010 – The selection in a separate consulting business unit



# 1. Consulting

## SERVICES

Logistics Audit

1

Definition of zones of growth performance and potential economic impact

Optimization of storage facilities

2

Optimization of storage areas, the development of technology solutions process Inventory of material assets

Optimization of resources

3

Decrease in average inventory levels with higher levels of satisfaction of demand

Optimization of vehicle

4

Reducing the cost of machine-hours and number of transport services for the company

M/A Transportation

5

Optimizing the total cost of m/a of transportation and the maintenance of m/a Economy

Organizational Development Company

6

Design and implementation of organizational and managerial structures in the theory of levels

Project management

7

Guarantees the projects a target date to reduce the critical path.

Lean Manufacturing and Theory of Constraints

8

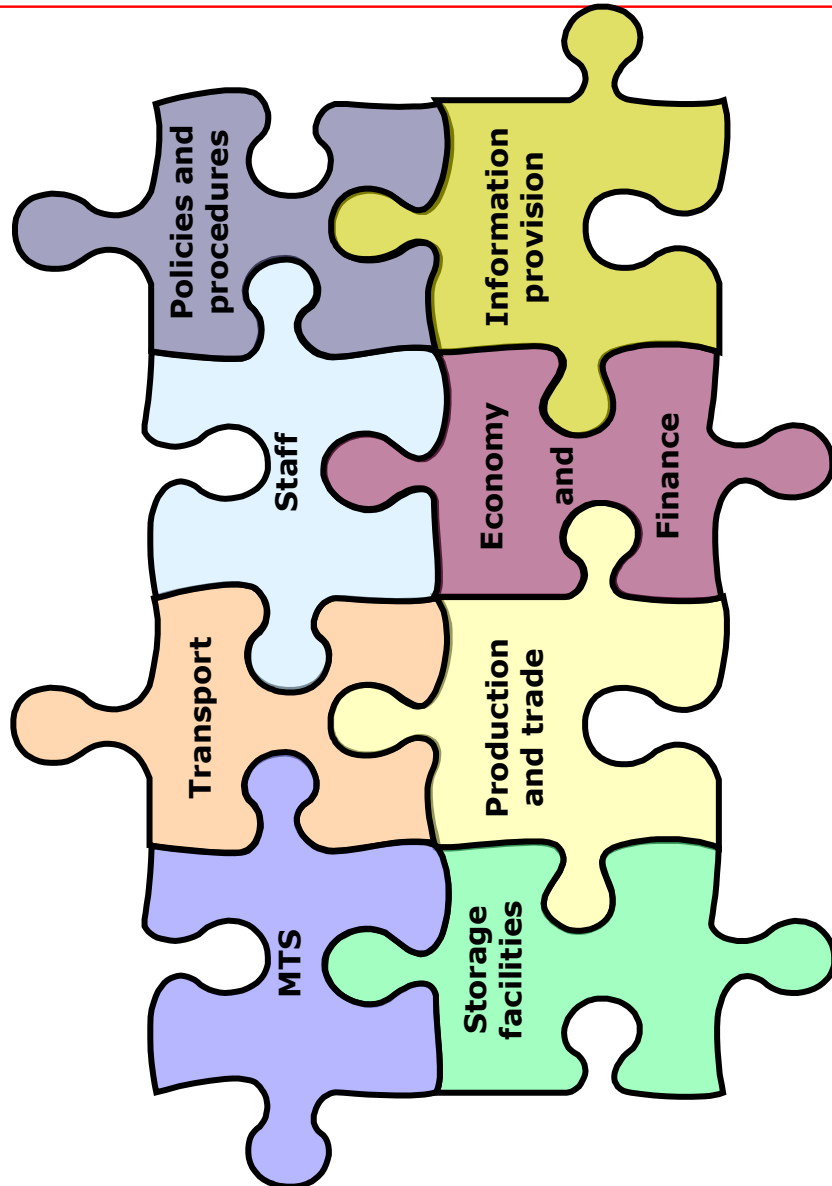
Increased productivity and quality of work (to overcome limitations of business systems)

MRRF

9

Accelerate Software Implementation : Monitoring and rapid response to failures (MRRF)

# 1.1 Logistic Audit

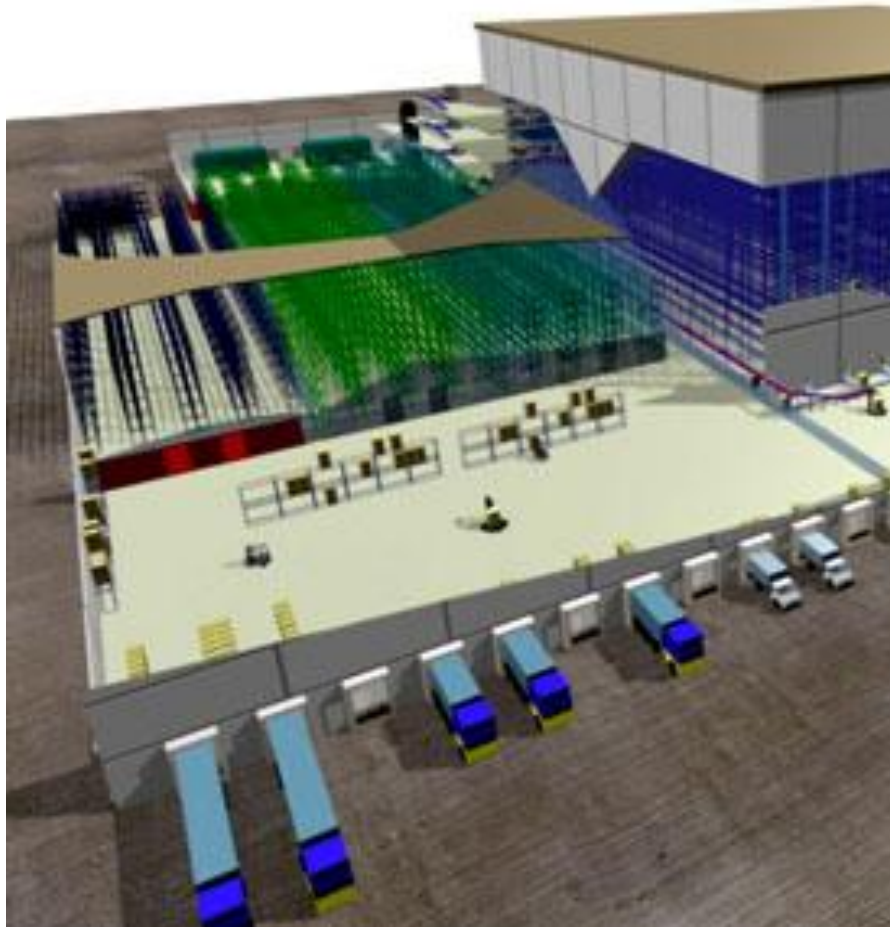


**Purpose of service** – identification of main problem areas in the field of freight and goods movement companies, that hold back business development, leading to unnecessary costs in the supply chain, as well as identifying ways to address the identified problems.

## Effects:

1. Designing the organizational and technical measures for improvement and reorganization of production and logistics system makes it possible to take into account the relationship of all components of logistics.
2. Get a synergetic effect of the change, to prioritize areas of efficiency gains.
3. The clear logic of the transformations («roadmap») will take into account and avoid a lot of risks.
4. Before starting to fix the current KPE, to assess the target KPE, as well as the size of investment, economic and qualitative effects of changes.

# 1.2 Optimization of storage facilities



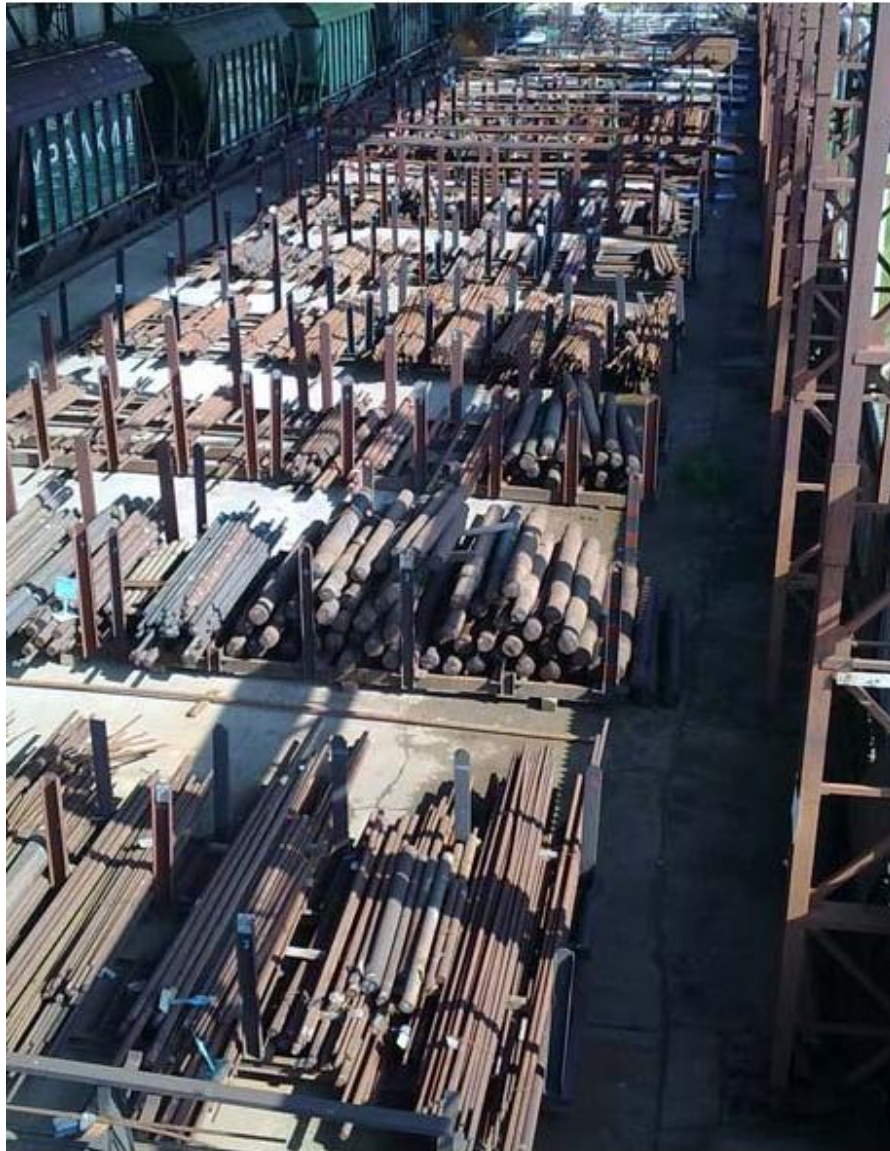
## Purpose of service:

1. Increasing the capacity of existing warehouses.
2. Reduced cost of implementation of the warehouse.
3. Quality of execution hanging storage operations.

## Effects:

1. Increasing storage capacity by 20-50%.
2. Reduction of specific storage costs by 15-30%.
3. Increasing the share of timely and accurately completed orders up to 95-97%.
4. Improving security of goods.
5. Reducing spoilage and scrap.
6. Increased accuracy and timeliness of accounting.
7. Streamlining storage resources.
8. Reduced warehouse staff turnover.

# 1.3 Optimization of resources



## Purpose of service:

- decrease in the average stock level of inventories in warehouses while increasing the performance level of production applications.

*Used models and algorithms for inventory control .*

We consider the methods used demand forecasting, safety stock calculation procedure and the size of the order, the practice to reduce the risks of shortages, how to work with illiquid.

## Effects:

1. Increase the percentage of execution of orders on GW to 93-95%.
2. Reducing the total cost of procurement of up to 10%.
3. The release of frozen assets in the current 15-30% of the value of stocks.
4. Increased satisfaction with primary production.
5. Quicker implementation of applications for GW to 20%.
6. Reducing the number of illiquid assets.

# 1.4 Optimization of motor vehicles



## Purpose of service:

- reduce unit transportation costs, while increasing the reliability of transport and increase the efficiency of fleet vehicles Company.

## Effects:

1. Lowering the unit cost of transporting goods (by 12-15%)
2. Improving the load factor of vehicles (up to 85-90%)
3. Increasing the coefficient of rolling out a line
4. Reduced production loss during transportation
5. Reduction of empty (blank) runs transport
6. Reduce total transportation distances (10-25%)
7. Improving the reliability and timeliness of delivery.

# 1.5 Optimization of RailWay Transport



## **Purpose of service:**

– reduce unit costs for rail road logistics support for a given level of performance and taking into account the prospects of the Company.

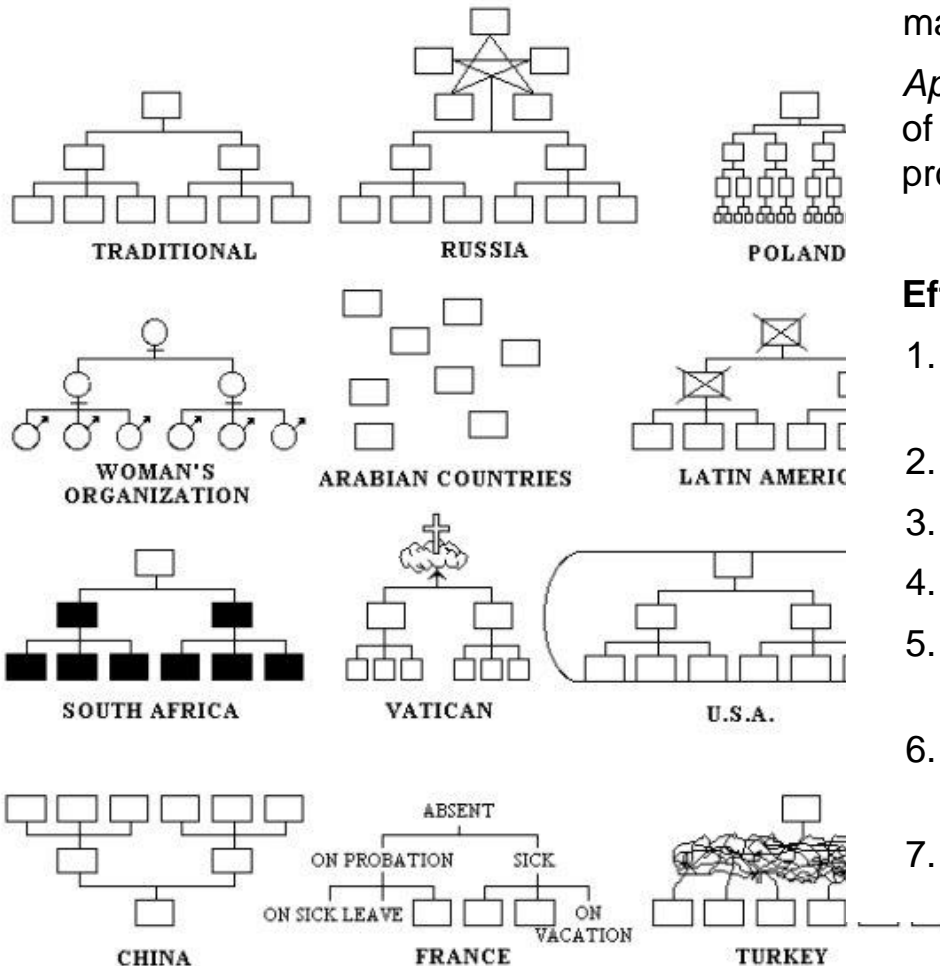
*In the field of infrastructure managers, railway car and locomotive fleet, the organization of maintenance and repairs.*

## **Effects:**

1. Reducing the turnaround time of wagons on sidings and how the public.
2. «Loopback» routes.
3. More efficient use of labor and production resources.
4. Feasibility study and organization of outsourcing / insourcing-train management and transportation.
5. Reduce unit costs by reducing emergency shipments, reducing penalties for the use of cars and for non-transportation plans by 15-18%.

# 1.6 Organizational development company

## ORGANIZATION SCHEMES



### Purpose of service:

- Improving the efficiency and timeliness of decision making at all levels of enterprise management.

*Applied theory levels*, distribution functions and areas of responsibility, the development of regulations, procedures, instructions, study population.

### Effects:

1. Reducing the number of performance without sacrificing.
2. The motivation for the result.
3. Reduced levels of government.
4. A process of labor organization.
5. Reducing organizational failures, conflicts and unproductive costs «determination of quilt».
6. Improved adaptability to changing business environment.
7. Shortening of the entry of new staff.

# 1.7 Project Management



## Purpose of service:

- the organization and support the project with the results on time or ahead of schedule, within budget, in accordance with customer expectations.

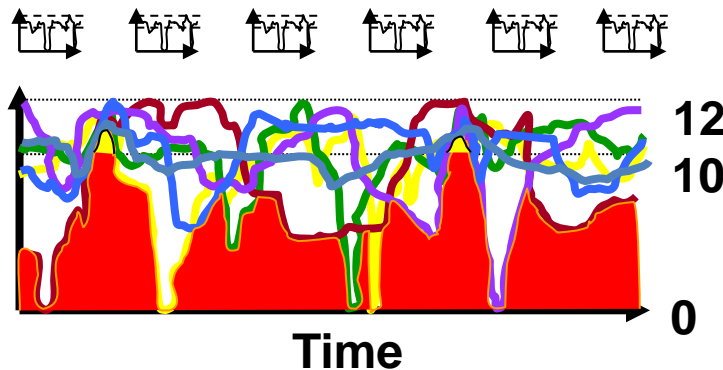
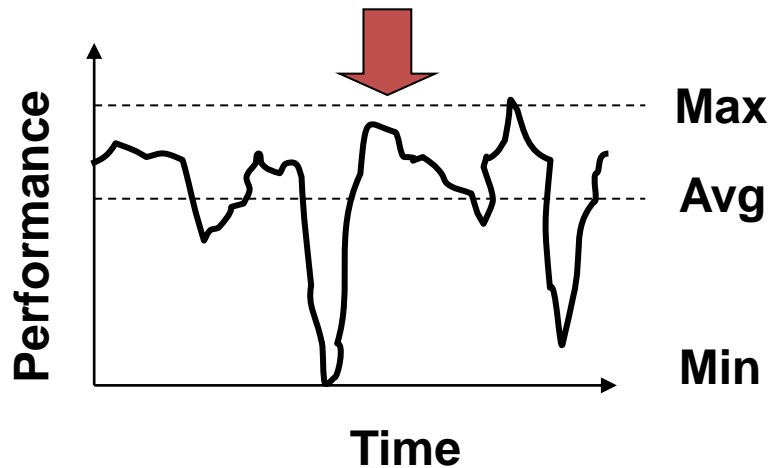
*Theory of Constraints is used, control on the critical chain.*

A clear division of powers in the vertical and horizontal areas of responsibility in the structure of project management greatly simplifies the decision-making and responding to risks.

## Effects:

1. Achieving the goals of the project target date or ahead of schedule.
2. Do not exceed the project budget.
3. Efficient use of resources, lack of downtime due to proactive coordination.
4. Reduce the risks and consequences of failures.
5. Rapid response to changing environmental project.

# 1.8 Theory of Constraints and Lean Manufacturing



## Purpose of service:

- a significant economic effect due to «restrictions», the development of restraining the growth of the company and its financial performance.

*The organization works with «limitations» to the implementation of the economic impact on existing facilities.*

## Effects:

1. Increased revenue 70%
2. Improved timeliness of orders up to 95-97%
3. The reduction of the production cycle by 70%
4. Increase sales by 60%
5. The decline in reserves by 40% (substantial increase in turnover).
6. Reduction of losses:
  - loss of time due to waiting;
  - losses due to unnecessary movements and movements;
  - losses due to overproduction;
  - losses due to poor work.



## **Purpose of service:**

- ensure the introduction of any innovations as quickly and painlessly, and reduce the risks to the company, invariably associated changes.

*Office of the control points*, rapid response to failures, the adjustment of regulations and instructions, weekly reporting of failures and achievements of the leaders - members of the business process.

## **Effects:**

1. Shortening of the stabilization process in the 2-3.
2. The elimination of the ground for speculation and rumors.
3. Coordination of actors.
4. Mobilization to uniform results.
5. Quickly determine the causes and perpetrators of failures.
6. Identification of sabotage in the early stages.
7. Rapid elimination of the consequences of failure.

## 2. ADD Outsourcing

**Our specialization: driving and warehouse management, supply chain management from the date of shipment of Material assets from suppliers to the transfer of Material assets to production.**

We define:

- boundaries of non-core activities,
- necessary assets,
- program to reduce expenses,
- pricing policy.



reorganizing processes, introducing new technologies.

### **Client benefits**

- Concentration on the main business
- Improving services
- Access to new technologies and work organization
- No hidden costs
- Easier to attract investment
- Increasing the investment attractiveness
- Decrease the number of staff

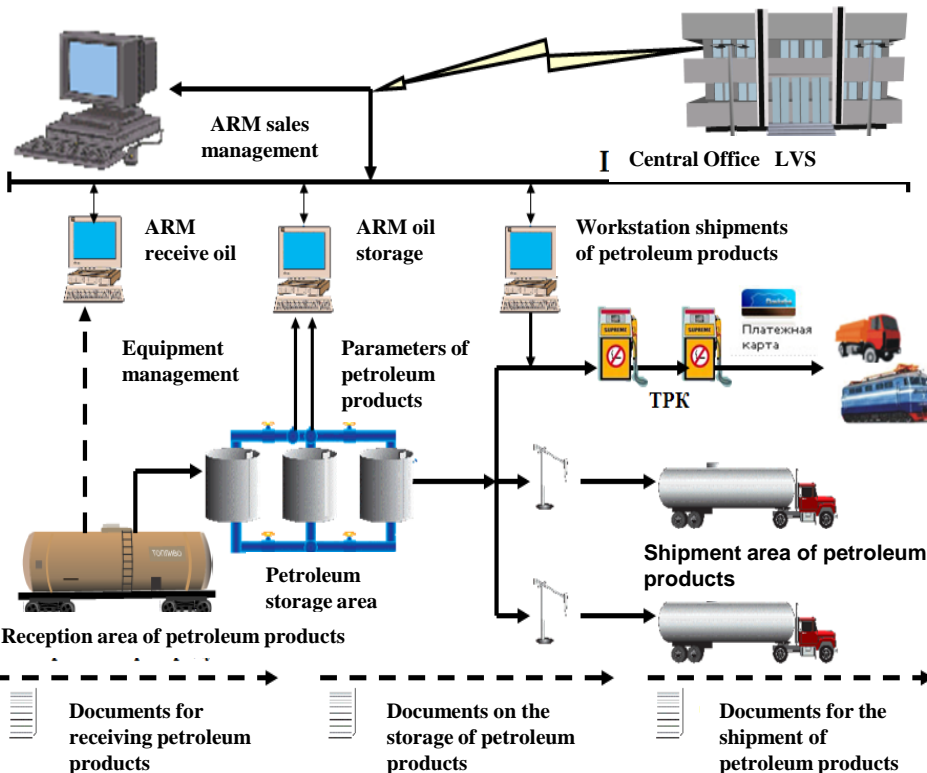


**Reduce existing expenses by 30% and increase the level of service.**

# 3. ADD Monitoring

## Complex control of the supply fuels and lubricants :

1. Rail-transport: control the volume of discharge, loading, speed, stop.
2. Base fuels and lubricants: control weight and volume of discharge, filling, liquid level protection
3. Petrol Stations: control the volume of drain-loading, security.
4. Motor transport: control the volume of discharge, loading, speed, stop.



## Telematics services to the user

1. Formalization of the performance requirements of the designed systems.
2. Preliminary system design in accordance with the requirements.
3. Integration in the Customer Information System.
4. Commissioning, after-sales technical and service support.
5. Fast response.

**Effect is achieved in:**  
Managing, Economy, Security  
**Reduce total cost of up to 35%**

# 4. ADD Automation

## Tasks of ADD experts in the implementation of Information Systems:

1. Optimization of current working methods and organizational structure taking into account the potential of new technologies and strategic demands of business customers.
2. Develop Terms of Reference (TOR) for the software provider.
3. Organization of project work, co-ordination of working groups, monitoring developments in accordance with the TOR, making operational adjustments (if necessary).
4. Testing and acceptance of the systems, training and system implementation on the ground, prevention of risks in the implementation of.
5. Project management – reducing the critical path completion on time.

## Economic Effects:

- |   |     |
|---|-----|
| 1. Increased turnover of stores -                                 | 15% |
| 2. Reduction of intra displacement technology and people-         | 20% |
| 3. The reduction of surplus stocks of spare parts and materials - | 15% |
| 4. Fewer cases of shortage of stock -                             | 30% |
| 5. Increasing the share of the planned repair of equipment-       | 70% |
| 6. Reducing emergency work -                                      | 30% |
| 7. Reduction of overtime -  | 25% |
| 8. Reducing waiting times of Commodity Wealth -                   | 40% |
| 9. Reduction urgent procurement of CW -                           | 25% |
| 10. Better prices on supplies CW-                                 | 18% |



**We stand guard over the interests of  
our partners**



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