

OCS. Your guide to distribution.

RFI response.

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Executive Summary

OCS is the leading IT value/volume distributor in the Russian corporate market. OCS provides distribution of IT and technology products and services with a commitment to delivering best-of-breed solutions to its partners: corporate resellers, system integrators, national and local retailers, assemblers, service providers and other corporate and consumer suppliers.

Highlights:

- founded in 1994
 - privately owned
 - the largest IT-Distributor in Russia ([CNews Analytics](#))
-
- ~2,100 employees
 - 26 offices
 - 16 warehouses
 - 600+ delivery cities across Russia
-
- Business Coverage – Russian Federation only
 - \$3,6B+ Revenue (2021)
 - average annual growth over 10% for the past 5 years
-
- 450+ vendors
 - 7,200+ partners (various profiles, details are described below)
 - 100+ services for vendors, partners and customers
-

Company Information

Company Name	Website	Phone
OCS Distribution	https://ocs.ru/english	+7 495 995-25-75
Moscow HQ		
6 str. 1, office 7, 22 km Kievskoe shosse, Moscow, 108811, Russia		
Saint-Petersburg HQ		
Bolshoy Sampsonievsky prosp., 68, liter D, Saint-Petersburg, Russia 194100		

Offices

Number of Offices	Number of Warehouses
26	16

Offices Location:

- Moscow
- Saint-Petersburg
- Chelyabinsk
- Irkutsk
- Izhevsk
- Kaluga
- Kazan
- Khabarovsk
- Krasnodar
- Krasnoyarsk
- Nizhniy Novgorod
- Novosibirsk
- Omsk
- Perm
- Pyatigorsk
- Rostov-on-Don
- Samara
- Saratov
- Stavropol
- Tyumen
- Ufa
- Vladivostok
- Volgograd
- Voronezh
- Yaroslavl
- Yekaterinburg

Employees

Total			
~2100			
Sales & BDMs	Product Managers	Technical/Presales	Marketing/Internal Sales
490+	250+	130+	60+
IT	Warehouse/Logistics	Operation & Processing	Back-Office & Administration
250+	330+	110+	480+

Company Background

- **1994**
OCS Distribution founding
- **1995**
5 vendors in distributor portfolio
- **1996**
260+ partners are working with OCS
- **2003**
OCS along with Landata, Aquarius, Sistematica established NCC marketing alliance
- **2004**
OCS signs first distribution contract with software vendor
- **2005**
OCS suite includes 30+ vendors, company has opened offices in 10 cities, 2,400+ partners are working with OCS
- **2009**
Launched self-service digital platform for partners (<https://b2b.ocs.ru>)
- **2011**
OCS acquires MT-Trade and expands portfolio by introducing appliances to partners
- **2013**
160+ vendors in OCS portfolio, 9,000+ partners are working with OCS
- **2017**
OCS launches complete knock-down (CKD) kit imports for local hardware assemblers
- **2018**
Cloud Marketplace launch (<https://marketplace.ocs.ru>)
- **2019**
450+ Vendors in distributor portfolio, Microelectronics division launched
- **2020**
OCS left NCC alliance in order to develop its own brand and ecosystem
- **2021**
OCS announced new business strategy based on company's key priorities

OCS Priorities

Key priorities were defined and approved by the Board as the company vision and roadmap for the next 5 years:

Distribution as a Service

- Service digitalization dramatically reduces cost and time-to-market
- Digitalization and new distribution services increase Partner stickiness
- Value-add for Partners, Vendors, Customers on every Deal
- Building a sustainable ecosystem of Vendors, Partners and Customers

Smart offerings

- Ready-to-use alliances and bundles as an “out-of-the-box” offering based on cross-vendor solutions
- Smart work with software/hardware import-substitution
- Partnership alliances to enable custom offers of specific niche products

Reaching customers

- Project engagement from stage zero
- Deal management: processes, stages, coordination and collaboration between parties
- Broad experience in direct contact with certain major enterprises interested in a particular supply chain, from demand generation up to deal fulfilment

Demand generation

- Continual and consistent new Vendors and Dealer search
- Gaining expertise and experience in cutting-edge technologies
- Pipeline generation with digital and offline marketing tools, primarily focusing on partner and vendor demand
- Proactive work with the channel on each opportunity

Distributor Portfolio

450+ vendors in the OCS portfolio covering various categories:

- Office Equipment
 - Audio Video & Telecommunication equipment
 - Components
(CPU, External Hard Drives, Graphic Cards, Internal Hard Drives, Motherboards)
 - Computer Systems (Desktops, Notebooks & Workstations, Thin Clients)
 - Cloud
 - Mobility, Tablets & Mobile Accessories
 - Networking Products
 - Peripherals & Supplies
 - Server infrastructure
 - Storage & Data Warehouse
 - Security (Physical & IT)
 - Software
 - Power
 - Home appliances & various electronic gadgets
 - Microelectronics
-

Awards

Throughout the course of its business, OCS has received multiple awards, honors and nominations from leading global vendors and media brands:

- The Best Distributor for System Integrators (CRN)
- The Best Distributor for System Integrators (CRN)
- The largest IT-Distributor in Russia 2021 (CNews)
- The most operationally efficient company in Russia 2021 (CNews)

and many others

Leadership

Ownership Structure

OCS is a Privately held independent company.

Shareholders & Board

- OCS and its shareholders are not on any sanctions lists
- The work experience and careers of OCS shareholders and executives are exclusively in commercial businesses and do not include any governmental positions or employment

Shareholders & Board

Maxim Sorokin

Chairman of Executive Board

Natalia Soboleva

Roxana Yanborisova

Andrey Golyshkin

Dmitriy Kleshnin

Efim Marimont

Personal profiles are available upon request.

Executive Management

Executive board

Anna Chernyakova

Departments:

- Data Storage Systems
- Manufacturing and local products development

Dmitriy Kleshnin

Departments:

- Household Equipment
- Components, Microelectronics and Retail Products
- Personal Systems
- Document Imaging Solutions
- Uniterraped Power Supplies
- Engineering System and Automatization

Maxim Fesenko

Departments:

- Information Security and Software
- Communication Systems
- Cloud/Marketplace

Tatiana Abramova

Departments:

- Networking Products

Georgy Kozeletsky

Regional Development:

- Volga
- Ural
- Syberia/FarEast
- South

Commerce Policy Committee

E-Commerce Policy Committee

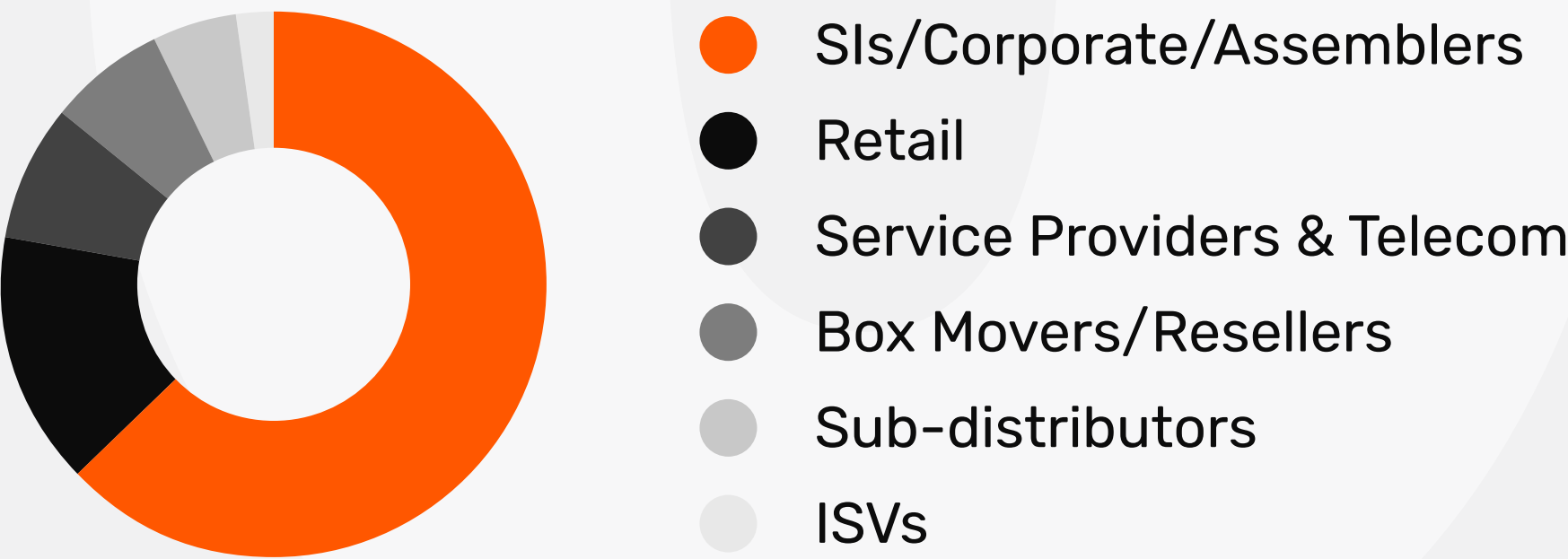
Responsibilities:

- Business processes
- Deal desk procedures
- New vendors/partners engagement
- Corporate policies – M&A, compliance and anticorruption

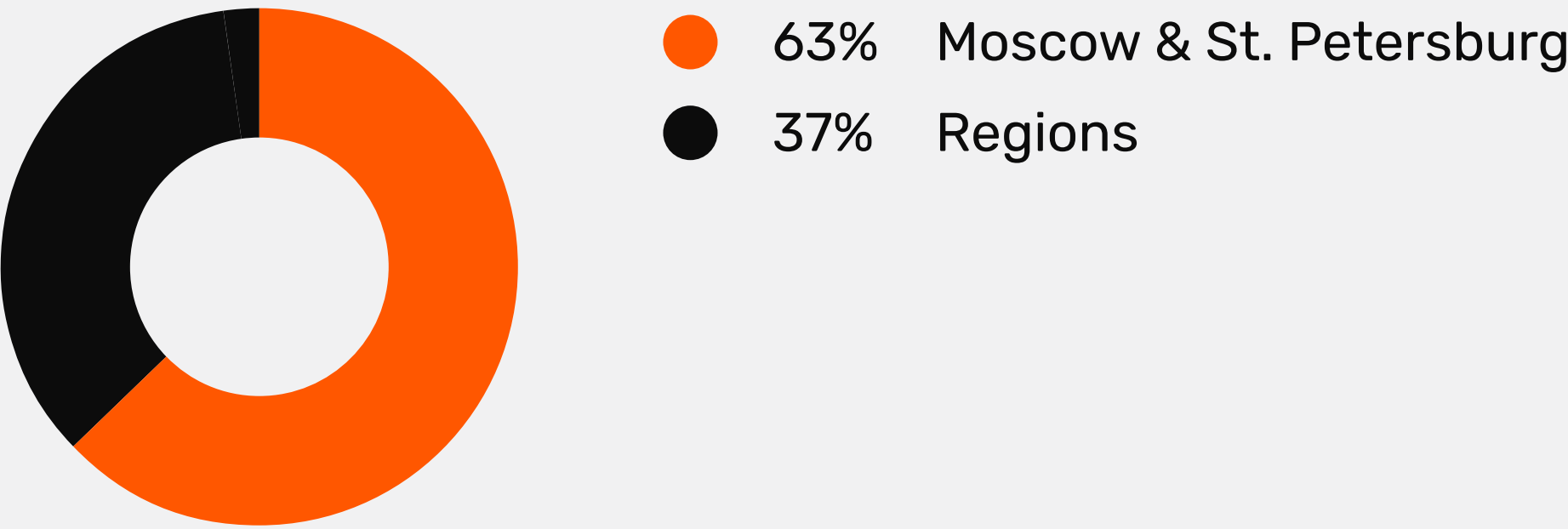
Partners*

Total
7200+

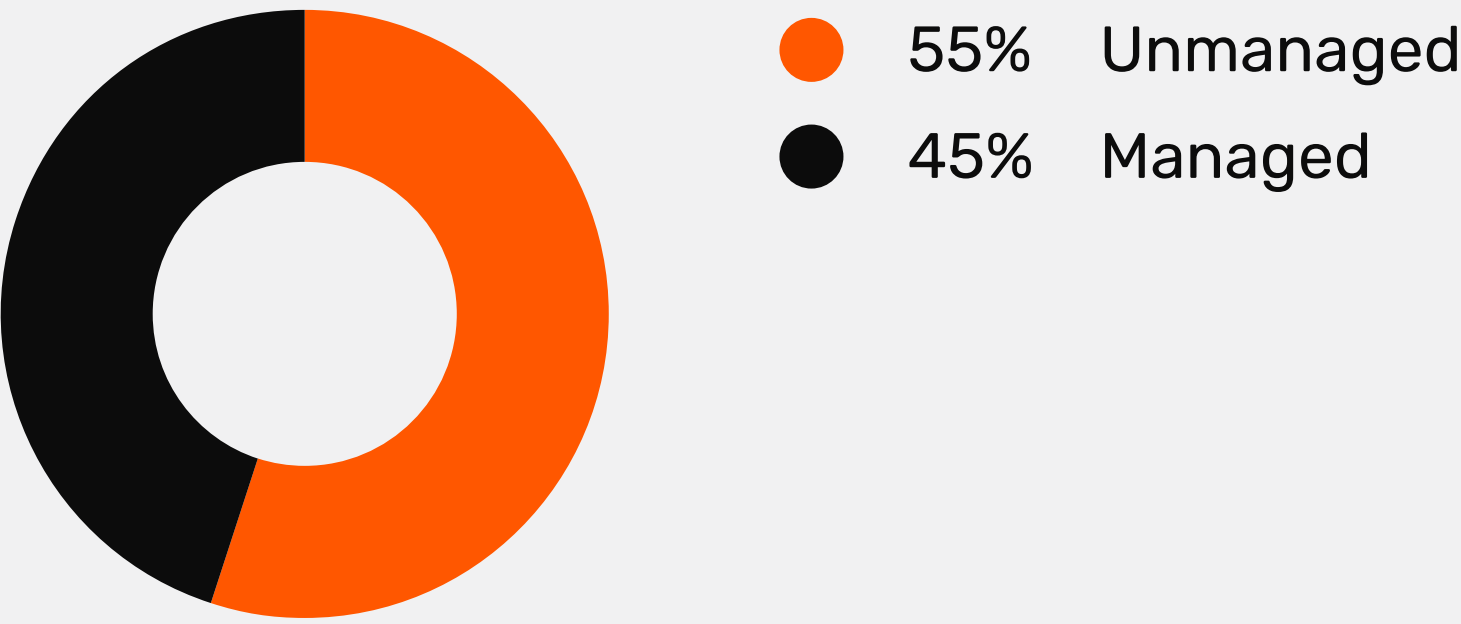
Partner profile breakdown:



Geographic partner breakdown:

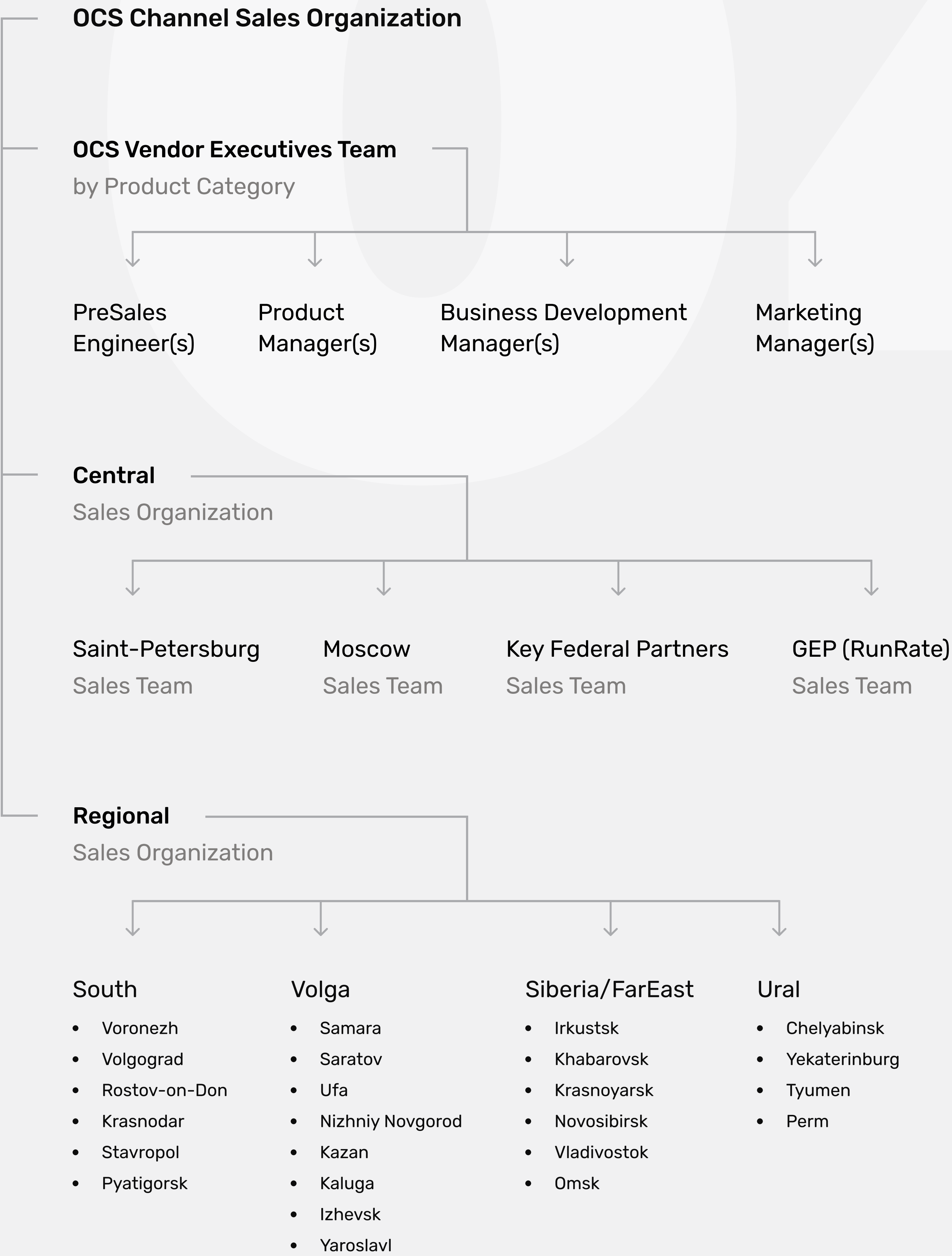


Partner management model



*percentages are provided upon request

Sales Organization Structure



Partner Recruitment Activities

Each managed partner is guided through three steps, allowing OCS to manage and add value to the partner's business. For unmanaged partners we offer a limited number of activities as listed below. The final goal of this process is:

- for OCS - to steadily grow the partner's business,
- for partners - to have a predictable volume of business with OCS.

First stage

OCS Business Development Manager investigates and analyzes the partner business using OCS's knowledge base and methodology, while the Sales Department interviews the Partner's team. As a result of the first stage, we develop:

- The Partner's key business drivers, strategies and objectives, as well as red flags that indicate risks;
- The internal Partner team structure with the following roles: Decision Maker, Influencer and potential Vendor Champion;
- An understanding of how the Vendor's solutions can bring value to the Partner's business with a specific business case that fits the Partner's strategy;
- The terms and details for onboarding and activating Partners to be able to execute the business.

Second stage

Includes meetings with the Decision Maker where OCS presents its vision of the Partner's business to make sure that all parties are on the same page. This meeting reviews the Vendor's business case and value proposition, and plans for the next steps. The goal is to get Decision Maker executive support.

Partner Recruitment Activities

Third stage

The actual execution of the partner activation process, which can include sales enablement, training, customer education, events, webinars, etc., per the plan agreed upon with the Decision Maker and with the help of the Internal Champion who is interested in driving the Vendor's business development internally.

Result

We get an activated partner who is able to execute the Vendor's business and considers the Vendor to be a very important part of its core strategy, along with the onboarded Decision Maker, at least one Internal Champion, trained sales and presales specialist, and enabled customer.

Partner Development Activities

For each focus reseller (focus resellers are accelerated by OCS – a list of focus resellers is proposed by OCS and approved by the vendor), there's a Territory/ Industry Development plan created by the OCS Business Development Manager and approved by the vendor if necessary. The plan is supposed to be updated and managed internally on a quarterly basis. The plan covers:

- Current and planned vendor partner status including certifications;
- Current and planned internal team with specific assigned roles (i.e. Decision Maker, Influencer, Champion, etc.);
- Executed and planned shipments;
- Executed and planned trainings;
- Executed and planned marketing and events;
- Pipeline generation activities and expected ROI;
- Historical and planned competition map.

The four most important KPIs for the reseller are:

- Continual qualified pipeline generation,
 - Marketing activity ROI in terms of timely opportunity closure,
 - Vendor commitment and strategic collaboration,
 - Partner technical competency and project experience.
-

Renewals Structure

Renewal management is one of OCS's key priorities.

OCS closely collaborates directly in advance with a Vendor's renewals team on all upcoming renewals. So, OCS creates all upcoming renewal lists on a regular basis in order to timely begin the partner engagement process. Moreover, OCS notifies a partner via email 3 months before the renewal end date. Emails are followed by regular phone calls and meetings hosted by OCS BDMs to ensure that all parties are informed.

The focus renewals (the list of focus renewals is discussed and approved by the vendor, usually defined by a certain deal size or customer level) are also subject to a thorough process that begins 6 months prior to support/license/contract end date. Partner meetings are a mandatory part of that process.

The renewal sales process is driven by the sales team. Each BDM has their own partner list and manages the corresponding renewal list. Renewal records are added to the CRM system and progress is monitored by Sales Management on a monthly basis. The BDM responsible for a particular partner and deal is required to investigate the current customer status and to recommend potential upsells and cross sells to that partner.

Finally, renewal order processing includes several steps, each executed by the responsible team (sales, processing, financing) and orchestrated by the BDM who manages each deal from start to finish.

Policy

As part of its business with partners, OCS also maintains relationships with end-customers, providing a wide range of services together with dealers and vendors. It is one of the company's key priorities which is aimed at building a trusted environment throughout the whole supply chain - from Vendor to the End-Customer. This is beneficial for all parties:

- Vendors achieve a higher deal-closure probability,
- Distributors form and maintain warehouse stock, and provide financial and other services to ensure end-customers and dealers that the order will be delivered on time,
- Dealers are supported with expert opinions from Distributors who act in the dealer's favor on a project.

Any end-customer may contact OCS like a distributor to receive a consultation or any other service which we provide to end-customers. But the order should only be placed through the dealer which the end-customer chose. At the same time, the Distributor always works within the channel policy defined by the vendor. In rare cases, the vendor may decide that dealers are not considered for taking part in supply. In this case, the enterprise end-customer account is authorized by the vendor for direct purchase from a Distributor. OCS cannot influence this kind of vendor decision.

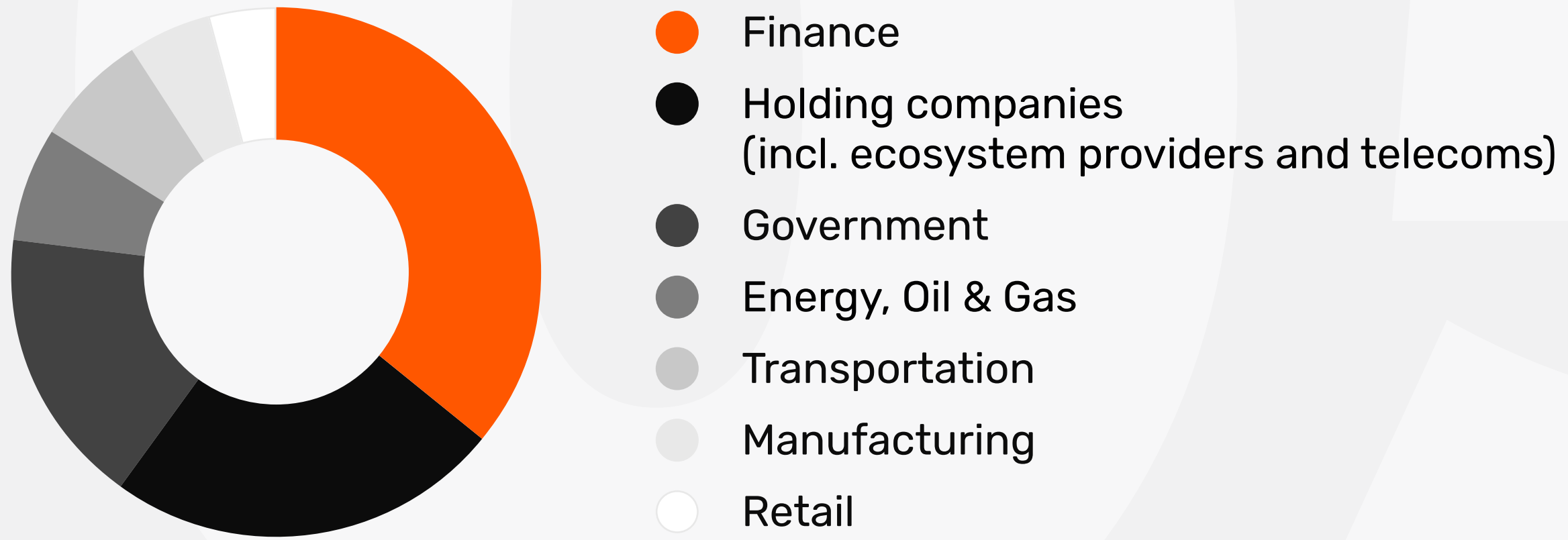
OCS follows the following principles for working with end-customers:

- Customers initiate contracts by a public request for proposal announcement to the IT market/community,
- Vendors authorize direct sales to a customer,
- All bids, including the prices and conditions to be reviewed by customer, are submitted only by vendors/distributors. Dealers are not allowed to submit bids for such deals,
- If tender procedures are required to initiate a contract, the customer indicates the participant profile to be a "vendor" or "distributor" under the participant requirements section.

End Customers

Customer base*

Based on dealer reports, customers come from the following industries:



*percentages are provided upon request

Distribution as a service for Vendor, Dealer & Customer

Services

Logistics

- Delivery and Shipping
- Storage and warehousing
- 3rd party goods imports
- Temporary imports
- Authorization documents

Sales

- Telesales
- Distribution
- Regional office
- Lead generation & processing
- Deal registration
- Rebates
- Partner network setup
- Government procurement support
- Go to market strategy

Marketing

- Public & Media relations
- Internet marketing
- Corporate Merchandise
- Creative studio
- Localization of marketing activities
- Marketing reports
- Event management
- Onlive event management
- Marketing Campaigns
- Regional Tech showrooms

Platforms

- B2B
- Cloud Marketplace
- C2P
- EDO
- EDI

Technologies

- Outsourcing
- Demo equipment and samples
- Training
- Support
- Service Centre
- Pearson Vue Certification Centre
- Engineering, construction and project management activities

Finance

- Leasing
- IFRS/Russian accounting standards/paperwork
- Segregated accounts
- Scoring
- Factoring

Logistics

- **Delivery and Shipping**
allows vendors to move their products to buyers via the chain of suppliers
 - **Storage and warehousing**
allows vendor to store their products in OCS warehouses until demanded
 - **3rd party goods imports**
a set of financial and logistical services that allow vendors to import their products, even if not a part of OCS's product portfolio
 - **Temporary imports**
allows vendors to import new and exclusive -products into Russia for demo and testing purposes for up to a 2-year period without transferring ownership rights to a Russian entity
 - **Authorization documents**
allows vendors to delegate to OCS document and certificate registration required for importing and selling goods within the Eurasian Economic Union
-

Sales

- **Telesales**
outsourcing remote sales and telemarketing aimed at increasing vendor sales volume
 - **Distribution**
a service that enables vendor products sales within Russia via a distributor's partner network
 - **Regional office**
allows OCS resources to enable a vendor's representative office in Russia without legal entity registration
 - **Lead generation & processing**
OCS marketing and analytical tools for vendors who are interested in transferring leads to partners and in increasing the proportion of sale closings
 - **Deal registration**
a process for developing a project sales pipeline generated by dealers
 - **Rebates**
incentive tool aimed at boosting dealer sales volumes for a certain product or to develop certain dealer competencies
 - **Partner network setup**
building a qualified partner channel in Russia
 - **Government procurement support**
a set of services for state purchasing procedures (which are made according to Russian law)
-
- **Go to market strategy**
development of action plan for launching vendor's products sales in local market via Distributor (consulting service)

Marketing

- **Public & Media relations**
all types of paid or organic Media Publications & Events: press-releases, comments, interviews, announcements and conferences
 - **Internet marketing**
full-service digital marketing from landing page development to context ads, SMM, targeting and media ads
 - **Corporate Merchandise**
branded (co-branded) pieces and giveaway design and production
 - **Creative studio**
marketing design and content management from scratch or per a vendor's guidance
 - **Localization of marketing activities**
Russian market localization for all marketing assets
 - **Marketing reports**
report generation per Vendor and regulatory requirements
 - **Event management**
turnkey event management
 - **Online event management**
turnkey digital event management
 - **Marketing Campaigns**
turnkey campaign planning, roll-out and reporting
 - **Regional Tech showrooms**
local tech demo centers across Russian regions (by request)
-

Platforms

- **B2B (in-house development)**
an online platform for wholesale computer & home equipment purchases with instant payment, shipping from warehouse and express-delivery
 - API – a service that can integrate with a partner's internal systems for process automation purposes
 - **Cloud Marketplace (based on Cloud Blue Platform <https://www.cloudblue.com/>)**
a self-service platform that allows partners and their customers to configure, order, provision and manage cloud services.
 - **C2P (in-house development)**
OCS's Digital platform for dealers to create a corporate loyalty marketplace for their customers, whose employees can then use it to select and order hardware or software using a co-funding approach.
 - **EDO**
an Electronic Documents Exchange platform to facilitate the exchange of legally valid documents between OCS and Russian-based vendors in electronic form
 - **EDI**
Electronic Data Interchange: a standardized format for commercial data transfers between OCS and dealers based on strict regulations
-

Technologies

- **Outsourcing**

technical tasks that are not covered by support agreement for customer projects can be outsourced to OCS specialists and architects

- **Demo equipment and samples**

vendor equipment provided by OCS to demonstrate a product's technical characteristics and capabilities at different locations: demo rooms, partner/customer sites, exhibitions

- **Training**

regular technical and sales development and education for OCS partner network specialists: engineers, architects, sales

- **Support**

technical consultations and remote support for vendor product provided by distributor to partners and their customers per the vendor's standards

- **Service Centre**

warranty services provided by the distributor per vendor's regulations and warranty service standards

- **Pearson Vue Certification Centre**

an authorized Pearson Vue testing center at OCS's Moscow office for enrolling into and completing certification exams for leading global IT-companies

- **Engineering, construction and project management activities**

OCS project teams can be involved into deployment activities at every stage of project cycle in collaboration with dealers and vendors. At presale stage OCS experts provide consulting activities, helping dealers to generate proper approach or validate technical specification, advising regarding optimal solutions for customer business needs

Finance

- **Leasing**

credit services in favor of a vendor for receiving its products by dealers/ customers

- **IFRS/Russian accounting standards/paperwork**

OCS regularly provides financial statements prepared according to Russian and International standards. OCS's financial reporting and internal business process control systems are regularly audited

- **Segregated accounts**

according to Russian law, payments in certain types of government purchasing procedures are made via special bank accounts. OCS has expertise and experience in dealing with these procedures and regulations

- **Scoring**

an assessment of dealer and customer solvency based on statistical data and 30+ parameters that is used as an auxiliary tool for evaluating dealer transactions

- **Factoring**

a set of financial services for vendors who provide commercial credit to distributors

Warehouses

OCS operates 50,000 m² of warehousing in 16 Russian cities, 15,000 m² of which are located in regional cities. Warehouses are organized and managed using optimized infrastructure which securely stores and timely ships products.

Warehouses are equipped with the resources and tools required to maintain high-quality service for our partners and vendors:

- standard and oversized goods storage
- inventory management and report generation upon request
- goods handling and processing
- warehouse management systems maintain required storage conditions (temperature, humidity)

Service Centers

OCS provides infrastructure to 20 service centers for partners in Russia. This allows us to provide warranty service to our dealers across all of Russia, using our own logistics for hardware replacement and returns.

- For vendors who have authorized service centers in Russia, OCS will guide partners on how to contact one for hardware maintenance and will arrange hardware shipping. If hardware repair is not possible through an authorized service center, further replacement or compensation may be arranged via an OCS service center per a vendor's warranty policy.
- For vendors who do not have any authorized service centers in Russia, OCS will represent its functions for accepting partner claims, organizing paperwork, estimating maintenance time, delivering hardware to authorized vendor service centers located outside of Russia, processing refunds and compensation, and managing reports per the vendor's warranty policy.

Training & Certification Center

The OCS training center regularly delivers training and educational events for partners and their customers:

- 300+ trainings were delivered in 2021
- 1,200+ exams have been organized since 2017
- Different formats are available: on site / online; sales / technical; from 1 hour to several days; workshops / webinars / etc.

<https://zubrit.ocs.ru> - educational project of OCS Distribution that hosts training events recordings, schedules, training catalog and materials for both sales and technical tracks. The tool as well allows partners to register to vendor's events.

OCS represents a Pearson Vue certification center location, providing partners convenient and seamless processes from attending trainings to passing vendor certification exams.

Demo Center

OCS is equipped with demo-zones and showrooms in Moscow and in 4 regional locations:

- 1,000+ square meters are currently allocated for demo rooms
- 40 workspaces are available for workshops and demo events
- 50+ vendors are represented in demo-zones
- 800+ demo items and samples are available

Partners and their customers are eligible to book demo items for a two-week period for testing, presales and demonstration purposes.

Equipment located in demo centers can also be booked for remote access, testing and for customized configuration.

Numbers

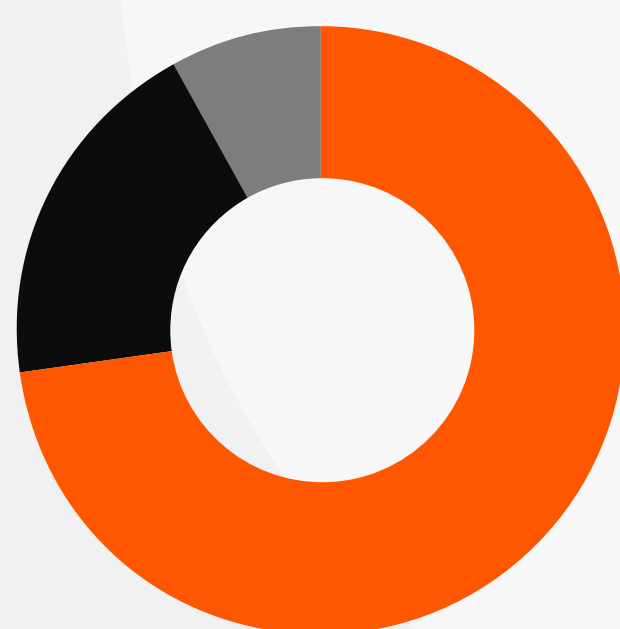
Total Annual Revenue

3,6B+ USD (2021)

Annual average revenue growth over the past 5 years

Over 10%

Revenue split:*



● Hardware (including Computer appliances)

- Office Equipment
- Audio Video & Telecommunication equipment
- Components (CPU, External Hard Drives, Graphic Cards, Internal Hard Drives, Motherboards)
- Computer Systems (Desktops, Notebooks & Workstations, Thin Clients)
- Mobility, Tablets & Mobile Accessories
- Networking Products
- Peripherals & Supplies
- Server infrastructure
- Storage & Data warehouse
- Power
- Home appliances & various electronic gadgets
- Microelectronics

● Software & Cloud

- Infrastructure software
- Security
- Cloud

● Support & Maintenance

Financial Statements

OCS shares its financial statements on a regular basis with banks and insurance companies:

- balance sheets
- income statements
- cash flow statements

OCS Financial Statements can be provided upon request:

- annual financial statements (IFRS) with the auditor's summary and detailed comments
 - interim financial report (IFRS)
-

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