



COMPANY HISTORY IN THE FIRST PERSON

November 2019

Probably, in the life of each person, sometimes circumstances develop so that you have to change the current way of life, disrupt the course of familiar events, make new decisions and start something new.

It so happened that in 1995, I got the hook. And not only me, but also some of my close friends, who like me before worked in the Leader cooperative in Dnepropetrovsk. This was due to the fact that in these years it was difficult with work, or rather with paid work. Therefore, over the course of several years I dragged many friends and comrades to me, and, therefore, I was responsible for the income of their families. Above all, I was very 'mentally' with them. We were familiar for a long time and probably knew everything about each other, and therefore we felt each other's shoulder. These are the backyard boys as Igoriok Karpenko, Vovchik Davydov and Sierioga Gubskii.

There was and is another person who is inextricably linked with all steps from the very beginning. Siergiei Naumenko was that man. Much obliged to them for that!

That is why initially there was no search just for work, but a search for a business in which we could all be in demand. There was also a confidence that each of my close friends was unique in his own way both as a person and as a specialist.

'Why is the founder only me?' the question arose.

The experience gained in the cooperative gave an understanding of the following: in business there should be only one person, the one who makes decisions, and the responsibility can only be personal. Therefore, I am against a collective business, if possible.

Shortly before that, I had to make renovating the apartment, and I was faced with a lack of parquet glue. 'Soviet people' are accustomed to rely on themselves in solving their problems. I turned to the familiar guys like Kulibins with a request to come up with something to glue the parquet. Naturally, the choice of raw materials could not be large, since



they made of what was available: liquid glass, clay and flour; this is what served as the raw material. Parquet had been laid.

The problem was solved, and we can forget about it.

And after six months, I remembered my solved problem and thought that other people could have this. It was decided to make parquet glue.

The company was registered at its legal address in the city of Dneprodzerzhinsk, where there were Vtorresursy at 107A Broad St. Sheba Boris Onisimovich worked as a Director there. I met him at work earlier, because one of the activities of the Leader cooperative was the processing of plastic and glass waste. Mr. Sheba was respected by me due to the fact that at the time he refused to pay extra money in his pocket, and for the offer made in a fatherly way, he deducted me. I must say that in those days, otherwise the 'red' directors did not work. He was also unique in his entrepreneurial mindset. With a staff of 34 people, he managed to build two nine-story houses with 72 apartments each. An old-school man periodically gave invaluable advice: 'Oleg, I don't understand your business, but listen to me, son, you should do this: earn a penny, give it to the people who helped you. Then you earn the second one, share with others. And you'll take a little with the third one, and if you don't stay, don't be upset, if you share, then you'll earn a fourth, and from it you will have something.'

We rented an office and a room of 140 sq. m, which for the first years were both a warehouse for raw materials, a production room, and a warehouse for finished products, and a place where frequent corporate parties were held for various holidays.

I must say that the smaller the company, the more friendly and cohesive it was, the feeling was that we were one big family.

The name of the company, Luda, my sister, and I took from the first letters Zakhorolskyi Ivan Petrovich as the last dead person at that time close to us was our father. It was named using abbreviation as 'ZIP'.

The first mixer was assembled from a piece of iron, which lined up who could what and where they could. We have preserved it as a relic until today (See photo on the cover page). A 60-liter plastic barrel with a cut off top served as a mixing tank.



The first starting capital was money from a deal for the resale of polyethylene. On one of the collective farms, both Sergei Naumenko and I found 12 tons of high-pressure polyethylene. Bought for \$ 5 thousand, and sold for \$ 12 thousand, after settlements with Siergiei for cars and other expenses, about \$ 5 thousand remained. This was the first capital. All further financing came from private loans of my friends or acquaintances, while in the early years there were no rates of less than 10% per month in \$. The last money borrowed back in 1995, I returned in 2004. Around the same period, and maybe later, we began to take loans from banks. Previously, we did not have any collateral, and we had a poor idea of how to draw up documents for loans.

We easily sold the first half tons of products, as well as the subsequent first tons. It is now that I understand that at that time there was a famine and that whatever you produced, everything could be sold. Then it seemed to us that this is our merit.

Of course, I wanted to earn a lot. Therefore, there was a thirst for growth. But for 'expanded' production, and 'expanded' sales are needed.

Initially, the enterprise had two sales departments in Dneprodzerzhinsk, at the enterprise, and in Dnepropetrovsk. It was just that our friend was there like Sania Porokhnia; he left the Leader company with us. He lived in Dnepropetrovsk, and he also needed work.

It was understood that at that time it was necessary to bet on the population, because Ukrainian enterprises fell into decay: non-payments, barter and everything 'lies'. And in order to collect a penny from the population, it is necessary to make products available to them. After all, a citizen from Odessa will not go to Dnepropetrovsk for glue for parquet.

The search began for organizations that would like to market our KS-3 Glue. We proposed conditions that we ourselves would not refuse, if someone offered the same for us. The conditions were as follows: at our own expense we will bring our products to your warehouse, at our expense we will carry out promotional events in your territory, if you sell



everything, settle accounts with us and, if it turns out to be profitable for you, then we will give you the goods.

Our goods began to disperse throughout the country. I did not have time to borrow money for production. There was an understanding that in order for us to be more interesting, it was necessary to expand the assortment. We started packing liquid glass and white craft glue.

Everything looked simple. From a large tank with a cone, a two-inch pipe with a ball valve came out. Beneath them were the usual arrow scales, on which the employee filled the can. The other twisted the lid and glued a paper label on it. Then the worker collected six cans in a metal frame, wrapped it with polyethylene and soldered the ends with a soldering iron. Then the packages were folded into a metal tray with 'horns', which made it possible to make multi-tiered racks from the same pallets by installing them on top of each other.

After some time, it became apparent that our sales departments are more efficient than our partners in other territories. It's easier with the return of money, the activity of people for whom this is the main job and the only source of income is much higher, in addition, the sales departments, unlike other companies, have obligations, and we can clearly see the whole process.

It was decided to start organizing branches in other cities.

The branches decided to do without the status of a legal entity, so as not to have problems with local authorities and so that the branch as a sales department would not do anything else (accounting, statistical reports and personnel, etc.).

The central figure in the enterprise becomes the head of the branch. Probably many cases know that when equal parties agree, the agreements seem fair to both parties. Over time, changes occur: someone went 'up', someone 'down'. Then agreements cease to seem fair for one of the parties and it want to change them. In order for the arrangements to be long-term, they must be simple and transparent. I should not be able to act unfairly, even if I really want to. Relations with the branch managers were built as with entrepreneurs.

He works on self-sufficiency, manages 10 kopecks from 1 hryvnia, which came to the account of the enterprise.



Branch managers were often random people, and here we take them lumps. The best episodes are young people who have completed the practice of working together and transferred to work in other cities, as a rule, young families settled there, and work was the main thing for them and this is the only connection with the territory and the people living there.

It has long been noticed that the 'Vikings' are achieving more.

First, it was economically feasible to have a presence in cities with a population of over one million, then with a population of 700 thousand and 500 thousand, etc. We understood that in order to penetrate deeper it was necessary to expand the assortment. Although, in order to understand where we work, it was necessary to try the production of bleaching agent 'Belizna', the production of office glue and white craft glue in bottles, to obtain unsatisfactory results and only then crystallize your niche as the building materials market.

We also began to produce our own plastic can like black, thick and cheap, because it was made from waste. Then we saw Polypropylene buckets on the food market and realized that we would never buy them, while our own can would be produced. We courageously closed the site, sold something, but most of the equipment went into scrap. I am glad that these decisions were made quickly and without regret. The brake associated with the fear of loss is a dangerous and destructive thing. Fortunately, it seems we are not ill with it.

The search for an assortment led us to paints. After all, the paint has many colors, which means a large assortment: these products are also in the construction sector. It is quickly turned over. In addition, we seemed smart: the industry uses an iron can, and we wanted to pack it in plastic buckets, because it is cheap and beautiful, but we did not know that Polypropylene did not hold aromatic carbohydrates, we were looking for the answer to this question, but could not find.

Both Siergiei Naumenko and I took knowledge of the production of paints from the library; it seemed that we were already professionals. After all, before that, all the technical specifications for the manufactured products were written and defended by GosStandart ourselves, we did not have technologists.



In 1997, we went to the Chemistry 97 Exhibition in Moscow and entered into a contract with the Germans for the supply of Natch equipment. We purchased a dissolver, 2 horizontal bead mills of 20 liters each, a bowl and a laboratory dissolver. The equipment was good for car paints, as it provided a milling degree of 3-5 microns, while in building paints the milling starts from 25 microns. Reliable technology made it possible to be very flexible in production, because one batch of paint was only 700 kg, the equipment was small in terms of washing, and it was possible to make any colors in turn.

The problem arose when we calculated the cost of raw materials. It was two times higher than the price of paint already in the store. After all, the recipes were taken from textbooks, and there are no tips for cheapening. The production of enamels is similar to cooking borsch: the ingredients are the same, and each housewife tastes different. It is important that it is tasty, but harder to achieve a consistent taste. It is necessary to replace the meat with something that smells very meat, but costs less. We did not know how. Therefore, our paint was expensive, but it was a very high-quality product.

In the Soviet period there were well-coordinated production cooperation relations between former state enterprises, and alkyd resins were produced only at large paint and varnish enterprises for themselves and specifically for other clearly designated plants. They did not need competition.

We were denied the sale of varnishes and driers. Therefore, we began to import alkyd resin from the Hemolak Slovak company. Its quality was two heads higher than the resins produced in Ukraine. Initially, the same situation arose with desiccants, we began to import them from the Baltic States and this was another generation of desiccants.

Since the main color is for paint, it was not clear to us why the faded colors of the flagship of the paint and varnish industry, DPVF caused pride.

We began to buy the BASF dyes in Germany, then from other manufacturers. We created a catalog and brought the number of colors to 36, but what juicy. And here, we are faced, firstly, with the problem of



stocks, and secondly, with how to show them all to the consumer. Displays were invented on which were painted all colors, and this was done with special skill. The task was to put displays in every store where our 'Zebra' were sold. Buyers' issues about a particular color made stores order more colors than they could put on display shelves. Looking ahead, I will say that the displays were made around 2000. Naturally, this production was organized on its own. So, we had a mock-up workshop.

Once, one of our comrades bought 20 tons of water-based paint, and then it turned out that he urgently needed money, and we bought the paint. It is clear that we repackaged it and also sold it.

Then we imported a lot of water-based white paint from Slovakia. But I was tormented by the question: 'How to be here with colors, because foreign catalogs offer hundreds of colors?' No budget can withstand stocks.

And then the TEKSA Moscow company proposed to consider the development of tinting, the purchase of colorants and studios, which are installed at points of sale to give the paint the chosen color. This was a new solution. Our young technologists felt a taste for work and their strength in this matter, after which (without really thinking) we began to purchase and arrange color studios, not quite understanding where to put it and how. The quantity was brought up to 200 pcs. They saw that there was almost no return, they stopped and instead of quick meaningful actions they postponed it as an unripe issue. I think it was our mistake. Subsequently, the market structure changed much faster than we expected, and even more so than we wanted.

But for the mock-up workshop, there was a lot of work with new displays, because we bought the first display for the color studio in Canada for \$ 1,200. Then they set up their production under the guidance of class artist Siergiei Zabara. The breadboard workshop has evolved so that by 2006 up to 30 artists worked there, for them we built a 2-story industrial building. But the wider the focus of attention, the less time was devoted to specific areas, and if there is no entrepreneurial spirit with a twinkle in one place, then the business begins to run down. This happened later with us and our mock-up workshop.



In 1998, we sold a total of 78 tons of produced paints and about 1,500 tons of adhesives. The products that we produced were sold by our customers, many owed us money, but in hryvnias, and my debts to creditors were in dollars.

'Black Tuesday' in 1998, when in the evening \$ 1 was worth UAH 1.6, and in the morning UAH 3.2, and in two weeks UAH 4.0. We had a very hard time. But reputation is above all.

We had debts, equipment, burning eyes and had no working capital.

It's nice (in Ukrainian) that we were not the only ones who felt bad. In the city of Dneprodzerzhinsk there was the Spektr paint and varnish factory, where Sasha Oleinikov became the Director, but soon Sasha's shareholders 'left' and he came to us, and with him the sources of raw materials, sales sources, his own brand, and most importantly-his knowledge of how and from what factories make paint and he began working with us as a giver, until at the end of the year he bought a plant in Beloie, Luhansk region and continued to produce his own paints there, taking our head of the shop. I think we are grateful to each other for this stage.

At the end of the 1999 Diary, I unexpectedly discovered a wish made to myself for the New Year at the beginning of the year: 'Sell 300 tons of paint in a year.' After calculating, I was pleased to note that in 1999 we sold our enamel more than 3,000 tons.

Of course, we were proud of ourselves.

An understanding of the need for a technologist came and V.K. Miasnikov came to work with us. Many things are not written in textbooks, only in 1999 we learned about such filler as chalk, about methods of measuring milling, and much more.

In 2000, we invited future chemists and technologists to pre-diploma practice: Sergei Zharov and Andrei Mironenko. The guys turned out to be sensible, and we offered to return to work after graduating theses and obtaining diplomas, under the obligation to provide an apartment during the year. Another young specialist came next year. It was Andrei Vlasov, a year later it was Nikolai Zapyshnyi. Over time, they got married and settled in the city. These people have become the core of our laboratory, the only unit where we welcome the increase in budget spending. We have a very well-equipped laboratory accredited in the



UkrSepro System. Guys have the opportunity to study in any country in the world. They use it. They studied and periodically continue to study in Germany, Switzerland, Austria, Holland and Russia.

The laboratory is our pride: there are so many beautiful girls in the Quality Department, and there are so many smart guys in the Research Department. It has also become a forge of personnel for most paints and varnishes manufacturers. The problem of today is that we do not have enough space for its placement. And we also have an idea as the creation for each leading technologist of his personalized name lab.

If you remember, we were in a rented territory, and you have to pay for every sneeze on it, but most importantly, they can always drive you out. Production requires powerful electricity, a water circuit, ventilation and fire wiring. Equipment is attached to the foundations. So, any movement is like the end of the world, and maybe even business. Former Director B.O. Shib's already retired. In 1999, we managed to redeem the Vtorresurs economic yard leased through the tax inspectorate through the payment of debts to the budget. By that time, their people had not received wages for almost a year, and debts were owed to almost all counterparties. Indeed, under contracts, payment for their products went to the parent company in Dnepropetrovsk.

Of course, we employed the collective, because there are 20 of them, and there are about two hundred of us. For some period, they were forced to do waste paper. Along the way, we created a library and a cutting site for the pieces of cardboard we needed from waste, which then saved us 12 cents on one package of products.

After the military service, I came to find a job at Vtorresursy, it was known that it was possible to quickly get an apartment here. They didn't take me. I walked and was very glad that they had such a polite conversation. The conversation was conducted by the master of Vtorresursy Rebrik Lyudmila Gavrilovna. I then thought that we should be able to refuse so politely and really remembered that moment. Did I think that years will pass and this master, and the whole team, I will be hiring for my company, and they will work with us for many years to come.

After the purchase, we began to be built. After all, the deficit in the premises was very strong. By the beginning of 2000, the entire



overhead staff included 17 people and was in the same room, tables were occupied in turn. The development period was very fast. Finishing building an object on the territory, we have already seen that this is not enough for us. About 120 people worked at the construction site. I cannot but mention our Chief engineer Taran Ilia Nikolaevich, who all this time struggled with the licensing system and always, in the end, won.

But in general, it's bitter that in the country in order to build up one must fight. The stupid overregulation of the system is surprising, producing a voracious class of officials demanding the maintenance of their apparent utility.

Sometimes it seems that common sense does not live in our country.

A little later we acquired a Hungarian bead mill with a volume of 140 liters. We still use such today. So, for each color we need a separate bead, and then it cost DM 140 K. I don't know how we would solve the problem if there weren't our local Kulibins like Vasia Loza and Vovka Davydov. Knowing how much this machine costs and knowing that the guys got to know it well, I asked provocatively: 'Dare you do this?' To which he received the answer: 'Why dare you do this? If you help to cast a cast-iron bed and free from work for a couple of months, we will do it with ease.'

- How much does it cost?
- Let me think.

The next day (I barely waited for him):

- Well, counted?
- Yeah. Oleg, don't be offended, even though we are friends, we hang on a few vodka together, but this is a moonlighting and we want to earn money, so don't be scared, but we want to get \$4 thousand for work.

If a lot, let's haggle.

- It's a deal! But I propose to launch immediately 10 pieces.

Those beads worked for a long time, until we replaced them with factory ones.



In the Soviet country, the best locksmith lived in the village and worked on a tractor. There are no spare parts, but you need to sow. Get out! That was our Davydov. Unfortunately, he died. Vasia Loza started his business. Now that we have technical problems, he is the last resort. When there are no problems, he is engaged in moonlighting in another place, it's more interesting and profitable for him, and we are happy to provide the conditions and are very happy with his success.

In the process of formation, the enterprise often faced the fact that some necessary service was unavailable or the quality did not satisfy, or the price was unacceptable.

Whenever we made something for ourselves, we needed appliances, equipment. Very often, the busted enterprises handed over the metalworking equipment to scrap metal, of course, we couldn't pass by. So, we formed a small machine park and a site for the manufacture of metal structures.

Subsequently, they formed as autonomous sections of the created the MasterZIP enterprise. It gathered under its roof all the created auxiliary sites: a mock-up workshop, a construction site, mechanical and fitting-assembly areas. Now we know how much that costs us. Believe me, for enterprises this is not so simple, but important.

Here is another example. First we leased cars for transportation; then we bought our own lawn, then KamAZ, then MAZ onboard, and then a tractor with a trailer. This gave us the opportunity to deliver goods to the branch on time. The reverse side of the coin was that it was necessary to pay for the trip in two directions, it was necessary to monitor the maintenance of the car, and when there were more of them, the parking problem became acute. All taken together is a separate area of activity. Therefore, the Promzipaktiv company was registered as a transport company. Both a Repair Service and Dispatcher Office were created. For parking and repair, a part of the territory of the 3rd Autobaza company (the city name of the organization that means Automobile Depot) was purchased at 26 Shirokaia St. But we were able to start exploiting this territory a year later: after the construction of the Boiler Room. A classic example of what you first need to think and then do. We often had the opposite. Later we acquired 20 MAZs and 20 Renaults (10 units a year).



We already paid for transport in one direction, but the transport company suffered losses, despite the fact that the cars drove back loaded and paid by other customers. Among other things, the ZIP company also paid for dispatching about 10% of the market value of transportation.

Due to the low cost of getting into business, the 'hungry' population ready to go for a piece of bread (depreciation and 'unpaid' taxes for private individuals – profit), travel prices were formed that did not allow working profitably. The crisis years of 2008 and 2009 forced us to abandon the operation of MAZ vehicles, we put up 17 units for sale (at almost any price, if only to sell) and the 2010 budget began to level off. It turns out that the less we work and the less losses. In 2012, Roman Shostak, who grew up here, became the Director of the transport company.

There are three areas of the provided services: passenger cars for corporation enterprises, utility cars (bus, tractor, dump truck and crane) that arose during our intensive construction and 20 Renault cars as main transportation.

As well as two units for ourselves: Repair Department, Dispatcher Office and Administration Department.

Until 2013, the company was unprofitable, but providing our advantage, which we value: the rhythm of deliveries according to plans, and we work like clockwork, this gives us savings in stock levels and the absence of deficit cases for these reasons. At first there was an auxiliary production with elements of a 'competitive environment fitting'. But since 2013, we have been selling 50% of services in another place, which means we have become a competitive carrier and we have gained profit. We strive to renew the fleet of cars and get rid of old equipment. As of 2019, only 10 trunk cars were left, for clarity of supply, we buy the rest of the services in the free market.

The proceeds began to invest in a new direction. We observe the growth of aerosol packaging in Ukraine. Learning to refill aerosol cans, it turned out to be not so simple. We hope we succeed! It can't be otherwise! After all, we specially, due to the peculiarity of the technical requirements and the hazard of the facility, built a workshop in a



separate area for automatic packaging lines. In 2019, we plan to get a competitive product.

The 90s were remembered by poverty and wretchedness: people were poor. At lunch, a man eats bread with a cucumber. 'But what about in winter?', I thought. We thought that food should be free because it is a necessity for people and business should also allow spending.

First we started attracting people for whom dinners were a family business. By the number of employees, we ordered food for them, every week each person gave an estimate. There were three families. Those who received the best rating by the end of the month received a large quota those who had a low rating received the smallest food quota. If the score was the lowest for three months, the family was changed. It seems everyone was happy. But somehow the workers say:

'Mr. Oleg Ivanovich, we have a change of 12 hours, is it possible to add the first (borsch or soup)?' We turned to our suppliers, and they do not want to be the first to engage in anything, because it's troublesome. At this time, we acquired the adjoining territory of Ukrenergochermet at 111 Szyrokaia St. According to the BTI Passport, there was a kitchen in one of the rooms. We took advantage of this and launched the first, then the salad, then the second dishes. Thus, our partners have lost us as customers. It seems that everything in this matter is good, but only so much waste is generated that we are offered to raise pigs for our waste. We introduced 25% payment for meals: immediately the pigs became hungry.

Conclusion: A person does not appreciate what is obtained without difficulty at least a minimum joint participation is necessary.

Today, we are proud of our eatery. The plot is self-supporting. In addition, kitchen workers began making pastries and dishes to order. I am very glad that they provide themselves with a salary that they do not receive in other catering establishments. I think there would be someone dexterous, could develop this business. We have 2 types of catering: buffet provided catering for money and social catering was provided according to the Collective Agreement.

We also have a Sewing Workshop. Believe me, it arose from hopelessness. I wanted all people to be beautifully dressed, because the level of production culture implies a mirror attitude to the results of



their work. We acquired blue fabric, for a long time and anxiously coordinated the model of workwear; almost all the workers participated, who wanted. It turned out very successful twinsets. It's beautiful! But we are growing, new people are appearing, they also need to be dressed, but there is no blue fabric, there is only red, they bought red. Some went blue, others red, and then these colors were gone. Green color was bought. Have fun looking at the workers. Here they found blue fabric; they bought it for years to come, and the Kryvyi Rih garment factory (which had patterns) cannot take an order, it sews clothes for foreign countries under well-known brands. It would be free in six months. Then we recalled that there is a friend like Balanda Lidia Aleksieievna. She is a cutter, but unemployed. And I had got a 22nd grade sewing machine. Having connected, we began to sew ourselves. Then they bought a machine for embroidery, then something else and now there is a sewing machine that works at ZIP.

It works 2-3 months a year. The rest of the time makes individual orders or corporate workwear. There is no income, but there are jobs for 5-6 people and it's really convenient for us.

Since 2013, we have relocated it beyond the fence of the enterprise and we hope it will become economically feasible, because someday there will be a lightbulb. Today the seamstress feeds herself. Much obliged to them for that! It has become like a hobby for my sister.

Since about 2000, we have been 'noticed by the market'.

Firstly, on the initiative of the Dnepropetrovsk Paint and Varnish Factory (DPVF), we were given a prosecutor's check with an addiction, as a result, a criminal case was opened, and during the year I was detained for interrogation. Then the court held a verdict, there is no *corpus delicti*. I don't even want to recall this nonsense. But thank them so much for the lesson.

If you want to develop a business, worry that it is legal.

Secondly, since our products were a great success, they began to fake us. There were the following two kinds of fakes:

- We bought one can of our paint, from it we made two cans of something topping up. The task was to sell one can without a label. Given how people read the contents of the labels, it wasn't difficult because consumers often don't need a label.



- The second type involved industrial production with labels of any manufacturer. 'What are you desired?' Traders usually preferred us.

We tried to deal with these phenomena, counting on the help of law enforcement agencies, of course, for an appropriate reward. Of course, they rushed into battle and imitated violent activity, but in fact the fakes did not disappear. Usually, power structures began to provide a crime-sponsored cover both ours and yours.

Understanding came, if we do not cope with the problem, the business will end. Fight the smart people who are faced with the choice: to feed their families or abide by the laws in a country where no one observes anything. Naturally, the people choose the first, and to fight with it is the same as to fight with windmills.

All that was needed was a technical solution that was difficult to produce in Ukraine.

When we started producing enamels, we needed a metal can. Cans for paints were produced at paint and varnish factories, as transporting this container over long distances is the same as transporting air. The factories also refused to sell us cans.

We found an entrepreneur in the Kirovograd region who bought a vegetable base with a canning workshop. He remade the equipment that was there for the production of paint cans No. 5 (1L) and No. 10 (3L). They started to transport from there, of course it was expensive. Plus, this businessman liked to drink, and he was a powerful man, a former officer, later a gangster authority, so he forced everyone to drink with him, including our car drivers, if they didn't have time to leave before dinner, and even their own territory guards. In general, this was a man worthy of a satirist's pen, but when he got drunk (and this happened daily), he called me and began to sort things out 'who respects whom'. He got so sick that we decided at all costs to start making a can on our own.

I remembered the sad experience of our own production of plastic cans, but in this case the volumes from the outside were not enough and we could not expect growth from someone. There were also problems with the quality of the cans from another place. Then almost all the products were smeared. If 2-3 cans flowed out of a thousand that was good. To this was added the need for very strict adherence to a



single standard size of the can in connection with the technical solution to protect us from fakes, which was developed. But more about that below. I met the engineer with a capital letter as Slavik Bielovol, he lived and worked in Alexandria. Slavik accepted the invitation and moved to Dneprodzerzhinsk (we provided him with an apartment).

The task was one for us: to protect ourselves from fakes.

They were invited to use a novelty of the time like shrink PVC label. The idea was simple: a plastic label is put on the can with a 2 cm overlap on top.

When we blow it with hot air, the inlet compresses the can and blocks the place of docking with the lid. In order to open the can, you need to tear this control. In addition, the can was made zigzag and the zigzag label was repeated. This label could only be bought abroad, and with a diameter of 153 mm; it was generally made on special order. Large (expensive and long) preparatory work, minimal million circulations excluded the possibility of us faking. But for this, it was still necessary to make own can production.

There was a passing problem of dressing and shrinking labels. Manually this is not difficult, but we had to make up to two million cans per month. The experimental equipment was ordered in Taiwan in the amount of 3 pcs. (I myself can't answer now how it was possible to order experimental machines in the amount of 3 pcs, but then, probably, it seemed to us smart).

At the same time, manual lines were ordered from our Kulibins for safety. We worked on them.

The Taiwanese machines could not be launched, one is still in the warehouse with scrap metal and the others were sold for nothing.

The technical solution that protected us helped us in 2003 to become the Ukrainian market leader in terms of paint production. By 2009, virtually all Soviet-era paint and varnish plants (DPVF, Lakma (Kyiv), etc.) ceased to exist.

Since we now had the production of metal containers, we were able to establish a new 0.25 liter can, a 10 liter can with a handle. But there was an understanding that this was 'clothing' and that one had to 'keep up' with fashion.



Therefore, in 2007-2010, new technological equipment was purchased for almost EUR 6 million. It allows us to look to the future with optimism. This production has been allocated to the Etalon Pak independent enterprise, since 2010. Trying on the market, we saw not everything is as joyful as it seemed to us. The market does not need the packaging that we can make yet, and its price is not optimal, i.e. the investment was made thoughtlessly and later it became obvious. It seems that now there is an understanding of how to make lemonade from lemon.

Conclusion: The more resources, the less their effectiveness.

Bielovol Slavik went in for his business: making souvenir packaging, but something is not entirely successful, because working conditions and income do not correspond to the concepts of 'successful'.

Conclusion: The entrepreneurial spirit and synergy of different specialists are needed for resources, if it is not there, you can bury any resources. Where resources are limited, better solutions are born. Nevertheless, we decided to fight for the market. Now more than 60% of the order is provided by third-party consumers, and we are pleased with them, even though this is our competitors in the paints and varnishes business. This direction also experienced reductions. In 2017, there was a replacement of the company's chief executives. Aleksei Schemielev became the Director, Vladislav Rudik, who grew out of the adjusters, became the Chief Engineer. Now we produce almost 15 million units of cans. Truly said, there's no money! It seems we know what we desire. Right, right, time will tell!

Since 1998, I have been a deputy of the City Council and every time I could not understand why the obvious things were not done reasonably. I did not understand the civil passivity of the population. To form a position different from 'I'll hide my hut,' I began to publish the Likhtarik newspaper. In order for it to fall into each family, a great deal of work was done to inventory the addresses and create a delivery system (the work of the post office did not hold water). The circulation was more than 100 thousand copies. The newspaper was delivered weekly for free to every address in Dneprodzerzhinsk.



Costs I considered my charitable contribution to the formation of civil society. Almost the entire technical part of the project was done by Svieta Kaluzhnaia.

I also did not understand why everything is improving in our company. In 2005, we even sent all the people who hold senior positions (at that time about 30 people) to Prague to raise the level of culture at the enterprise. And in society behind the fence, development went in the opposite direction.

In 2005, due to the fact that the city was left without a mayor (he was arrested for a bribe) and there was no secretary of the City Council. The deputies of the City Council began to wonder who to choose among the deputies as Secretary. The same person automatically became the Acting Mayor. The deputies named three candidates (including mine) and conducted a rating vote. I did not vote for myself, but I scored as many as 2 votes.

No, I didn't want to be mayor, but it weighed heavily on my conscience for such a low rating.

Then, in the city, ranking was carried out of future possible mayoral candidates, and I also got on the lists. I had no chance, because I scored hundredths of a percent. And I admit, we are all people, I was hit close to home a second time. From a scientific point of view, I had no chance, because it was 4 months before the election.

In general, I was eager to prove that the impossible is possible. The Program was developed, and we 'sold' me.

There were 16 candidates. I got 54% of the vote.

Sobering came when the election results were announced, and a Session of the City Council congratulated me on the election of the Mayor. These were the first elections on party lists to local councils. Two strippers, security guards, drivers, housewives, unemployed and lovers of the leaders of local party cells became deputies. A nightmare has begun; a real war for influence. If I was going to make the local government effective, then I suddenly discovered that in power structures you just have to fight for common sense. In general, this is a different philosophy and it is not mine. I perceived responsibility as personal and mine.



The work of the Mayor is the most interesting work, which may be multifaceted. But what is the result of your work, I could not find an answer.

You can be effective with a monopoly on power. Unfortunately, there are many such successful people in our country.

You can be effective in a competitive professional environment and here I have achieved some success.

Having looked at this 'the world behind the looking-glass', I came to the conclusion that not every pleasant wind is fair, and you should not roll where it blows. In 2007, I left of my own free will. The life lesson was very expensive. Almost all the leaders of the executive committee received additional wages from me, if only they did not take bribes, it was useless. Very often, I closed the city 'non-agreement of data' with the means of the enterprise. In addition, I was forced to bring my people from the business with me as a support.

Tania Oleinik and Sergei Kovalenko were my real assistants and friends who worked on two fronts. Svieta Kaliuzhnaia, who became the First Deputy, Siergie Liashenko became the Deputy, but Igor Minaiev got the most, he took over the Housing and Utilities Sector of the city.

The life lesson is expensive, but it was worth it, I think, for all of us. Returning to the enterprise, I was faced with the fact that everything is in motion, and I cannot get on track, because one cannot embrace the immensity. In addition, the question arose: 'Why identically assigned tasks for branch managers give different answers? Why do global players come to the Ukrainian market and immediately occupy a significant place there?'

It came to understand that the competitiveness of enterprises in many respects depends on the created system, and not on the exploits of one or another employee. It was decided to consider the business through the prism of interconnected business processes. And each process must be prescribed. We started with the 'Sales' process. It seemed right away and what to write, and so everything is clear, when we still decided to write what we are doing. It turned out to be very difficult, we began to ask ourselves questions and write answers, the deeper, the more white spots and wider the distance between theory and practice. An even bigger problem is the implementation of what is



written. For the first year I had to change 14 branch managers, a quarter of Sales Department employees. There was a need for training units and a department for monitoring the implementation of internal standards.

Then they began to register all business processes and form the so-called corporate standards of the enterprise.

During the time in the paints and varnishes business, the competitive environment has changed significantly. The market is mainly foreign companies, and they require a different professionalism and system solutions. We learn this all the time.

In 2008, we considered a 'narrow neck' of the finished goods warehouse of the parent company.

But an audit of our logistics showed that from the process we only have a headword. Work on the construction of the process led to an investment of 2 million euros in equipment and the creation of warehouse automation programs, as well as a change in many organizational issues. This warehouse is now our pride, we love to show it. And logistics, one of our strong suit, we became partners in the training of students of the National Mining University (NMU), Dnepropetrovsk, Department of Production Management.

In 2010, we celebrated the 15th Anniversary, and we presented ourselves with an automated factory for the production of water paints, which seeks to level the effect on the quality of the human factor. Previously, we could not even dream of such a thing. And now even more big 'dreams' are becoming a goal and it fills our lives. True, the deadlines are moving away. Unfortunately, the state of the economy and the direction of its movement do not inspire optimism.

Since modernization projects are not being implemented for a year, but more, we came to the point of spending big money during the crisis of 2008-2009. And due to the inaccessibility of long loans, they were forced to finance purchases from current resources. It hurt a lot because a lending rate of more than 20% forced us to work for the welfare of the banking system.

In 2012, we divided the functions of Logistics Department and Sales Department at the branches. They changed their management staff, but not everyone thought it through to the end. The system should be



• A lack of resources hinders the search for effective solutions. You need to be hungry in every sense of the word.

- Management decisions can be either medicine or poison.

- It is important in practice to take into account that theories that are taught are formed in a developed competitive environment. You must not know, you must understand.

- In a developing environment, the responsibility of the business, as the engine of society, is increasing.

- I understand even more the significance of values and how recklessly this is neglected in our society.

- As the company develops, requirements and ways of managing. The company changed. I understand that on the agenda of the charisma of the leader should give way to systemic management decisions. As the owner, I pose a danger to the company in view of my personal qualities, so I even moved away from operational management earlier.

The further I moved away from operational management, it was the sadder. I can't do anything that is pleasant for many.

- 'Daddy, have you dreamed of doing paint, since childhood?', my son asked me for good measure.

- 'No, of course not, that's what happened. I dreamed of doing something meaningful for people, and now it's 55 and I continue to dream ... to do something meaningful', I answered.

- 'Well, if you start from the beginning, what would you do?', he added.

And then I realized how important it is to put such questions for myself and look for an answer for them. Here are my answers:

- It's never scary to start! It's scary not to try!

- We are Ukrainians, we consider our country an agricultural power, a nurse, and what can we offer the world except raw materials: wheat and sunflower oil? We are proud of our cuisine, and there is nothing to take for a present abroad of our Ukrainian, unless borsch or dumplings (varenyky). It's a shame and vexing!

And I thought we need a business that creates a product: bringing glory to our country and it will once become the same pride of Ukraine



as Spanish jamon, Spreewald cucumbers, French wines and Italian truffles.

He looked around for a long time and dreamed of until I saw my wife selling her gastronomic creations. I remembered the values at the beginning of the book!!!

Both Olia and I created a small family business for the production of Ukrainian dried tomatoes as OH! What are these tomatoes!!! This TM is also patriotic like Ukrainian Specialties!

We started the conquest of the world! So far, however, it is not very successful.

In 2017, I studied at the School of Strategic Architect at Kyiv-Mohyla University, which made me look at business from a new angle.

In 2018, from the ZIP company, as a manufacturer of paints and varnishes, its distribution network with 28 branches was separated into an independent legal entity. We called the Ardor-Trade company. This company was headed by Dmitrii Stiesienko, who previously worked as a Sales Manager.

Managing staff replacements were made at ZIP as well. Vitalii Titarienko, who previously worked as Financial Director, was appointed as the Director General (CEO). He succeeded Sergei Naumenko, the former chief of more than 20 years. Siergieï tries himself in personal business, and we will try our best to help him.

The division of the company made it possible to remove the multi-directional development of 2 separate areas; clearly formulate the goals of each.

The ZIP company is now waiting for a very difficult period of 'creeping' reconstruction. Since it must be done without stopping production, and with money that remains to be earned, because there are no savings, and long-term loans are not available. Bank loan rate of more than 20%!!! Sheesh! We live the future and run-run-run-run.

I am absolutely convinced that professionalism, going hand in hand with the worldly wisdom set forth in the values of the corporation, dooms everyone who uses them to be successful.

I call in a single team all those who are comfortable in our company, and who remember that life is given once and you need to have time to



successfully implement it. After all, the most expensive is time. My task is to create the conditions for the possibilities fulfill themselves.

Best regards,

O. ZAKHOROLSKYI