

AEB Machine Building & Engineering and Real Estate Committees Current Trends in the Design of the Industrial Projects

21.11.2017, Moscow

A composite image showing a close-up of a green printed circuit board (PCB) on the left and a blue industrial machine component on the right. A semi-transparent white box is overlaid on the bottom left of the image.

Build To Suite –
Customized solutions for successful localization
Tatjana Kovalenko, Head of Business Development, Senior Project Partner, Drees & Sommer

Production setup in Russia

Initial situation

- Strong dependence on imports
- High import costs because of low value of rouble
- Not enough added value and diversification (need of modernization and renovation)
- Sanctions:
 - Certain assets
 - Persons
 - Financing
- Volatile rouble
- Low oil prices

- + Low labour costs
- + Cost advantage over other international locations
- + Unique selling propositions
- + Competitive advantages

Production setup in Russia

Term localization

From the state point of view:

- investments
- taxation base, taxes
- workplaces
- regulation, quality control, protectionism

From the business point of view:

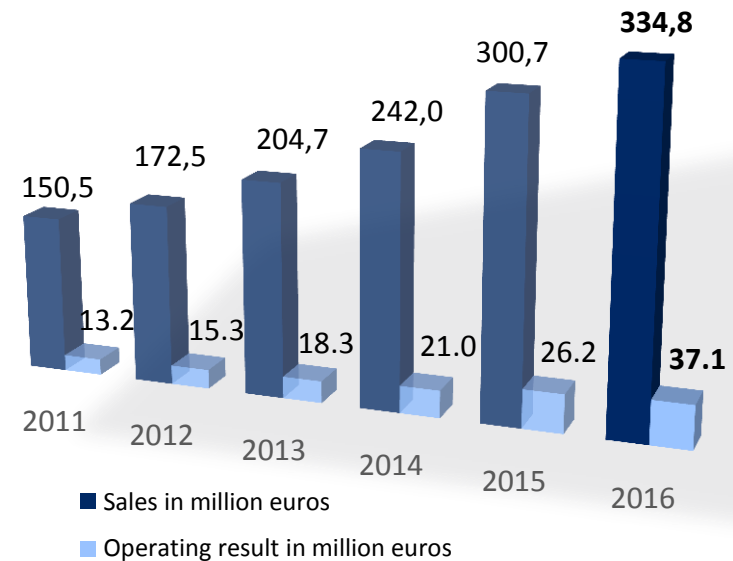
- **Technical/Practical**
 - infrastructure
 - personal
 - know how
- **Business**
 - securing market entry and market share
 - costs, prices
 - currency risk
 - political
 - support, subsidies, preferences, guaranteed purchase

Optimal technical and economic
implementation?!

Production setup in Russia

Drees & Sommer – our presence

Founded:	1970
Employees in 2016:	2.400
Offices:	41
Construction volume in 2016:	€ 13.7 billion
Group sales in 2016:	€ 334.8 million
Expertise Russia and CIS:	since 1998
Permanent as OOO locally:	since 2005
Location Russia:	Moscow, St. Petersburg, regions, CIS, Baltics
Employees:	100
Achievements:	international scope of services+ local achievements (SRO accreditations)



Production setup in Russia

Support in technical and economic implementation



Strategic location and property selection



Design and engineering of buildings and technologies



Project management, management tasks, controlling



Strategic organizational and process consulting



Finance controlling, consulting and structuring of projects

- ✓ Technical Client
- ✓ Construction control
- ✓ General designer
- ✓ Designer supervision
- ✓ General contractor
- ✓ Expert

Local and approval related functions partly SRO liable

Production setup in Russia

Industry solutions in focus



Automotive



Healthcare



Life Sciences



Public Sector



Retail



Housing Industry



Hospitality



Manufacturing Industry



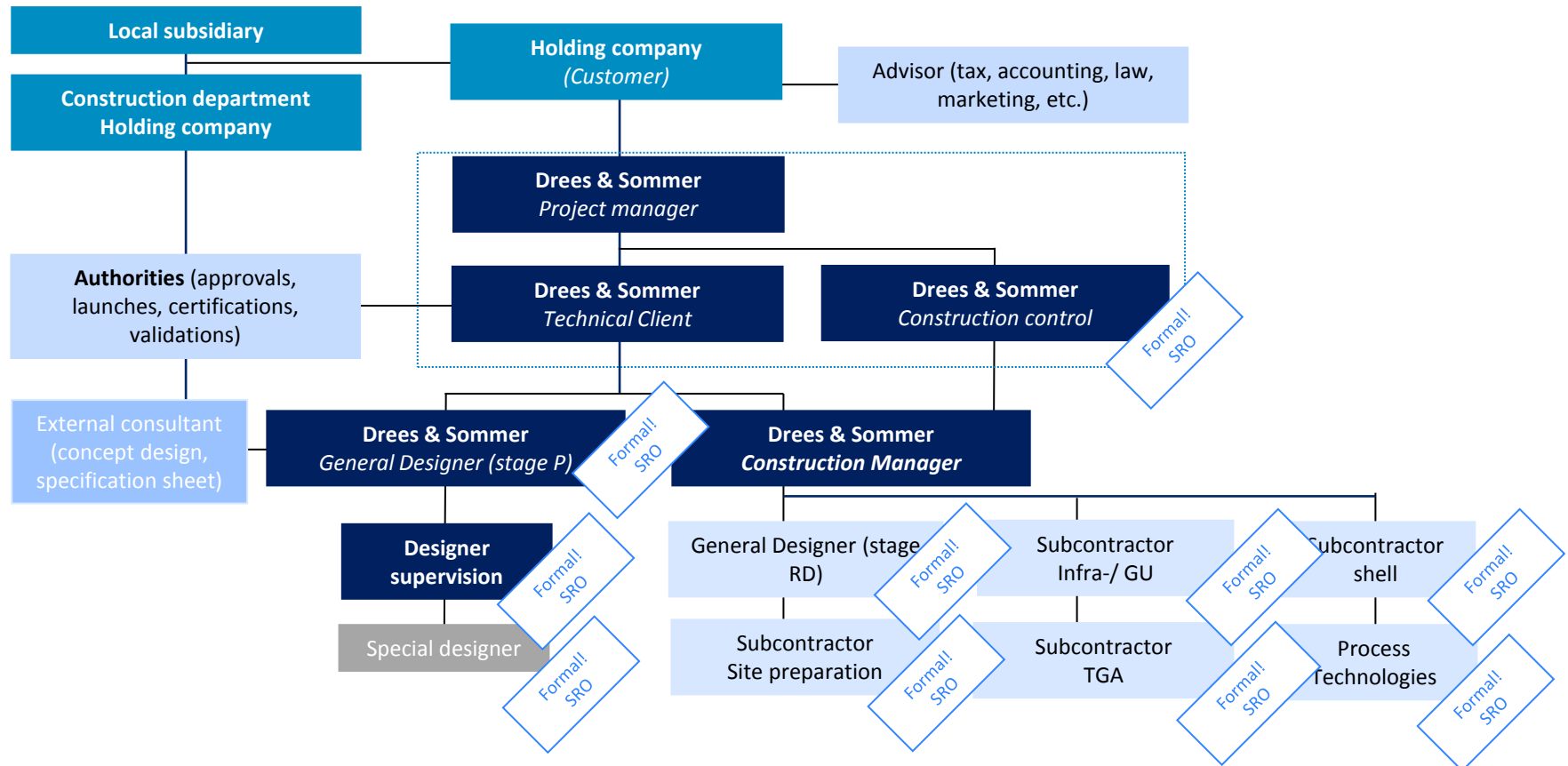
Information and Communication Technology (ICT)

Production setup in Russia

Proper organization of every project

Individual solutions – according to individual customer requirements:

- > Corporate standards
- > Local requirements



E.g.: international companies, responsible German affiliated company, implementation manufacturing, logistic and office properties

Production setup in Russia

The right format for provision of real estates

Property developer- / Developer model

- Construction and sale of properties
- “Build to Suit” solutions

Owner model

- Individual contract, general contractor
- General transferee

Investor model

- Construction and long-term lease

Tenant/ lessee

- Buyer
- Resale properties
- New properties

Combined solutions



Mercedes ASCII, Moscow



BMW Regional Distribution Center, Moscow region

Production setup in Russia

Project preparation– creating basis!

Goals

- Business development
- Manufacturing, sale, representation etc.

Requirements

- Corporate benchmarks
- Processes, logistic, personal
- Location
- Supply Chain

Development requirements

Development scenarios

Market boundary conditions

Flexible solutions

Market relocations



BASF Headquarter, Moscow/ Russia



BOSCO, localization of production to Russia

Production setup in Russia

Purchase of existing real estates and properties

Basic requirements of purchaser

- Technical task

Actual state of real estate

- Zoning, dedication
- Development!!, Energy supply!!
- Approval readiness

Due Diligence

Scheduling

Budgeting

Structuring of acquisition of rights

- Investment or rental agreement
- Real estate or property companies
- Partly retention or total replacement of vendor



Business Center City Del, Moscow



Business Center Vivaldi Plaza, Moscow

Production setup in Russia

Design and approvals

Existing/ available documentation

- Greenfield or Brownfield

Design stages

- Concept
- (Planning project (urban))
- Preliminary project (Stadia „PP“)
- Basic Design (Stadia „P“)
- Detailed Design (Stadia „RD“)
- As-built documentation (Stadia „ID“)

Approvals

- Pre-approvals
- Expertise
- Building permission
- Commissioning approval



Conversion of existing factory hall, Moscow Region



Logistic Park Pushkino, Moscow region

Production setup in Russia

Construction

Contract models

Local models (SMETA), fixed price or Open Book
Incentive model (Bonus-Malus)

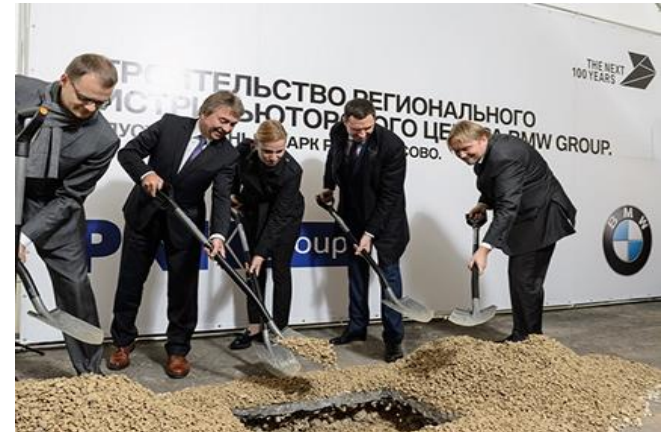
Contractor

- General contractor (formal required is „coordinating contractor“)
- Individual contracts
- Control of subcontractors
- Specialized companies (especially development and infrastructure)

Supplier

- Local, international, German

Building permission and construction start
Control and acceptance of ongoing works



BMW Regional Distribution Center, Moscow region



Takeover and completion of distressed site, Moscow

Production setup in Russia

Commissioning

Acceptance/ Commissioning

- Ongoing, hidden works
- Early checking of functionality
- Use of optimization potential
- Start early and retain guarantees

Commissioning approval

- Complete documentation (audit planning, certificates (Russ.), manuals
- Approval is given by government committee

Availability of infrastructure

Development

Supply and disposal

Registration (BTI) and other



Opening of Marriott Courtyard Hotel, St. Petersburg



Commissioning management German Centre, Moscow

Production setup in Russia

References



Viessmann, Lipetsk/ Russia

New construction production, logistics, office



Siemens, Voronezh/ Russia

Warehouse and connected functions



Extension animal feed, baby food and confectionary production, Russia



ZF Kama, Naberezhnye Chelny/ Russia

New construction (Brownfield) gearbox production



Mercedes Benz Russia, Moscow region/ Russia, new construction, regional logistics center



BOSCO, Kaluga/ Russia

New construction textile production

Drees & Sommer

Your contact



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