

INTERVIEW WITH A.I. PANFILOV, PRESIDENT OF APIS HOLDING LLC

Andriy Panfilov, founder of Steel Works LLC, President of APIS HOLDINGS LLC, spoke about the crisis in the industrial sector and company activities during the period of fighting the coronavirus COVID-19 infection.



Andrii Ivanovich, what steps are you taking now to keep the business afloat?

Business is stable only, when it is able to adapt quickly, change its processes and models in a significantly variable environment. We also understand that today it will not be as it was yesterday, our market in Ukraine will be falling, and it is difficult to predict by how much — 10–20–30 %. We are taking anticrisis measures, which consist in an abrupt reduction of the expenses, optimization of the organizational structure and increase of operational efficiency.

What about the team now: working in a regular mode, unpaid leaves or layoff?

We continue working. In view of the quarantine, the protective measures for personnel have been significantly enhanced. Our main objective is to preserve the core of the team, those staff members, who create the base of our product. We believe that starting from autumn an unfavourable situation formed in all the markets for our industry. That is why we are considerably reducing the expenses, conducting optimization of the organizational structure, which is necessary under the current conditions. But we are not considering a shutdown.

What losses are incurred by your company because of quarantine? How much has the demand dropped?

Our main clients are mining and metallurgical works, mines and cement plants. At present we cover practically the entire line of equipment parts, which

are exposed to wear, and we often act as the general contractor — from design to turn-key project delivery.

Now we feel both a drop in demand by 40–50 %, and an unsatisfactory payment discipline, everybody is in the standby mode as regards overhauling and investment projects. We waited for spring, but the new «black swan» introduced even more uncertainties, market outlook is rather value. And few can foresee when it will end in our country. Based on the forecasts, the virus will be active in Ukraine till the summer, and then we assume work in the mode of less stringent quarantine restrictions up to one to two years. We are assessing the losses now.

How do you manage to keep the sales markets in difficult economic conditions? Which markets are more important for you?

For us the priority always is the domestic market of Ukraine. At the same time, we are actively developing our positions in the EC countries. The priority export directions are Poland, France, and Germany. We are, primarily, focused on the metallurgical and mining industries. We have extensive experience of development and implementation of solutions as regards addressing the problems of improvement of wear resistance in the enterprises of Ukraine, and know what our foreign clients need and how to achieve it. We are also constantly looking for partners, suppliers of surfacing materials, alternative wear-resistant products for joint projects, both in Ukraine and in the foreign markets.

What would you recommend as a business manager and owner under the conditions of this quarantine and crisis?

Despite all that is happening, we have to work and continue planning our activity. We are now forming a strategy for the next 3–5 years, taking new circumstances into account. Our business is conservative, it will not go digital, but we know that it is necessary to improve our work as regards cultivating our relations with clients, rebuilding our business-model to suit their urgent tasks, going ahead of the market in some aspects, creating prerequisites for formation of new trends in our market.

We in our business have been in the market for more than 20 years, and have experienced more than one crisis, but we regard it as the next manifestation, and do not make a disaster of it. We focus on what we can influence, what is in our power to change, what exactly depends on us. And for our part, we try to communicate this philosophy to our partners.