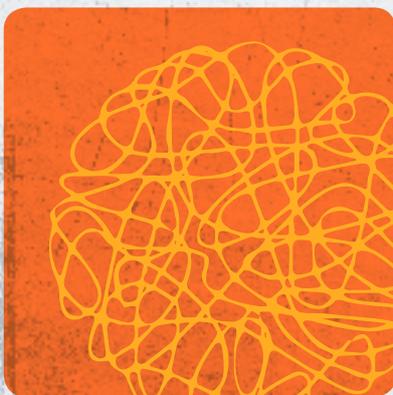
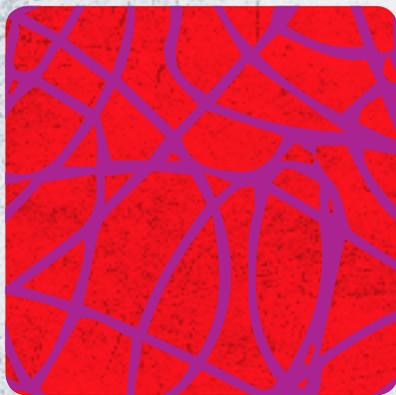
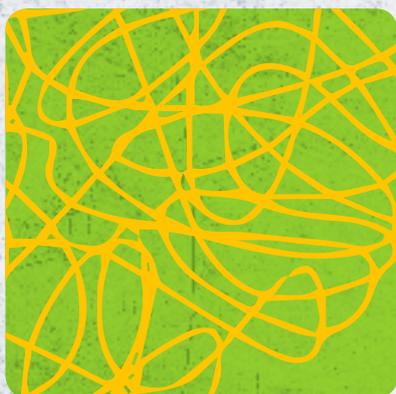


# BE iNTREND

business education trends magazine



conversation  
with Anatoly  
Chubais

SKOLKOVO MBA:  
avoiding a  
crisis of the  
genre

Leading at  
the edge

the startup  
for startups

building the  
city of the  
future

ROSATOM:  
catching  
up with the  
technological  
wave

# Join SKOLKOVO MBA

STARTS ON OCTOBER 22, 2014

## The meteoric take-off of your career

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MBA from the best professors from IMD, INSEAD, IESE, Cambridge, Stanford, MIT, HKUST, CEIBS, etc., and also Russia's business elite

☆  
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☆  
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☆  
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### Duration:

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### Structure:

4 days per month

### Language:

English

If you have any questions about the SKOLKOVO MBA Programme, please contact programme consultant Maria Polikarpova  
+7 985 111 26 32  
mba@skolkovo.ru

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## dream big

Our dream, the dream of the SKOLKOVO Business School founders, started out so big that it would be a long time before we could say, "Okay, we are happy now ... we've achieved exactly what we dreamed about." The fact is, it's not enough to collect the best and brightest entrepreneurs and managers in one educational environment. It's necessary to bring these people into our culture and ideology, to give them access to the best knowledge and invaluable experience, and to provide them the opportunity to become leaders in corporations, government agencies, and NGOs, so that they can continue to pass on our values and share this same drive with people in their own circles. This dream gathered the partners around our school and fascinated us.

This dream lives on within the SKOLKOVO Business School and its community. It is gradually becoming reality, as our graduates organise clubs and similar associations to involve their classmates in them, and as I get asked to mentor more and more projects by graduates who have found financing through our local SKOLKOVO club investors. We are still in the early stages. It will still take some time for these projects to take on a national scale and become a notable phenomenon in business and society.

I would love for the SKOLKOVO Business School graduates to be acutely aware of the scenarios that are open to them, for them to see what the future holds for them and for their country, and to know that they can do what has to be done to make these scenarios become real. In the context of the events taking place in the country and in the world, the right thing to do is to move forward with inspired work, implementing the necessary changes and putting all our strength into achieving the desired results.

Dream and change for the better. Believe in yourself and work hard to fulfil all your dreams.

Andrey Rappoport,  
President of the Moscow School of Management SKOLKOVO



## can there be a future without a dream?

In a time of challenges and changes, both external and internal, it is extremely difficult to stay on your chosen path and look forward. Likewise, successful young leaders who come to study with us are searching for new reference points, guidelines and meaning. They see the business school as a special intellectual and creative environment. Becoming immersed in this atmosphere helps you develop your own worldview and an individual path towards your goals. Here students meet with their peers to support and inspire each other toward new achievements, share interesting thoughts and discuss initiatives.

Members of the SKOLKOVO community believe in their dreams and work to build the future today. Their intentions are then transformed into achievements – a topic that will be discussed in this issue of the Be in Trend magazine. Our graduates have actually transformed their dreams into business projects. We hosted an extensive educational programme for the Moscow City Government, which became an experimental ground for turning the capital into a modern city of the future. And finally, we hosted a landmark event – the first SKOLKOVO Alumni Convention, organized by the school and alumni.

At the SKOLKOVO Business School, we believe that one's dream can be a real, solid foundation for managing changes. It is important not to give up and not to let time and circumstances take total control over the future. We need to launch our own internal reactor to push us forward, motivate us to look for new opportunities and ways to develop, set new goals, make discoveries and follow our dreams.

Andrei Sharonov,  
Dean of the Moscow School of Management SKOLKOVO

## AUTUMN EDUCATIONAL MARATHON

In autumn, the doors of the business school campus will open to more than 300 new students of corporate and individual programmes.

The long-awaited launch of the first class of the redesigned SKOLKOVO MBA programme will take place on October 22. Following the ambitious managers, the creative and entrepreneurial participants of the sixth group of the SKOLKOVO Start-up Academy will start attending classes at the business school. They will be joining a programme for those wishing to launch their own business or advance existing startup projects.

In November, the business school will welcome the 16th class of the SKOLKOVO Executive MBA programme, consisting of top managers and company owners from various industries.

With the commencement of the business season, the Executive Education

Department will launch 6 educational programmes for major business school clients, which include Rosatom, Krastvetmet, and a new modular programme for Severstal. In addition, an open seminar with one of the world's top design gurus, Idris Mootee, as well as the first HR-colloquium dedicated to coaching, will take place in October.

The SKOLKOVO Education Development Centre team will have an eventful and busy autumn as well. An educational programme entitled Prospects of the West Siberian Region: New Industries and Human Resources, with 65 participants, is scheduled to begin in early November. The programme has been set up by the order of the governor of the Tyumen region in cooperation with the Tyumen State University. In September and October, the participants of the New Leaders of Higher Education 2014 programme will explore breakthrough projects and master new technologies in education while continuing their studies on campus.

## TERRITORIAL CONVERGENCE WITH THE NES

On September 1, 2014, the New Economic School (NES) moved to Skolkovo and began the academic year in a new building – the Ural Building at the SKOLKOVO Business School campus. Convergence with NES will allow the SKOLKOVO Business School to create an intellectual ecosystem where scientific knowledge in economics, management and business will be integrated in the educational programmes where modern professionals are trained. Cooperation with NES will also provide new opportunities to expand the school education and research agenda, as well as to establish common clubs and associations in the alumni community of both schools.

## SKOLKOVO MBA EDUCATIONAL GRANTS

In the summer, the Moscow School of Management SKOLKOVO launched two business project competitions. The winners received grants covering part of their tuition at the business school and will soon become students of the new SKOLKOVO MBA programme. The winners of the first competition – those who presented outstanding ideas on opening and developing their own businesses, as well as creating a new project within the framework of a corporation – were announced on July 29 and received grants for 30,000, 20,000 and 10,000 Euros. The results of the competition for the best sustainable development projects, organized jointly with the International Paper in Russia, were announced on September 4 at the regular Alumni Quarterly Meeting. On October 22, 2014, the winners of both competitions will begin attending classes.

## 3<sup>RD</sup> ANNIVERSARY OF THE SKOLKOVO ENERGY CENTRE

July 18, 2014 marked three years since the founding of the Energy Centre of the Moscow School of Management SKOLKOVO. The centre successfully collaborates with all the leading oil and gas companies in Russia and provides analytical support to the key federal executive and legislative stakeholders. The Centre has also been successful in building an effective system of interaction with the business school, leading us to believe that the synergy effect from this cooperation will be further strengthened.

## PIONEER SKOLKOVO ALUMNI CONVENTION

On June 20–22, alumni from all the programmes from all the years gathered at the Moscow School of Management SKOLKOVO for the first ever SKOLKOVO Alumni Convention to remember the past, analyze the present and look into the future. The Convention programme included many educational and entertainment events: Speakers Night with Alexei Kudrin, business networking by interest, the annual SKOLKOVO Mile marathon, foresight on key trends, the Alumni Ball, Alumni Awards ceremony, a gala musical evening titled Pioneer Singing by Russian Pioneer magazine with Andrei Makarevich and Diana Arbenina, a charity auction, and a sailing regatta for the SKOLKOVO cup. From now on such alumni reunions will be held annually.





In October, the new SKOLKOVO MBA programme begins – it is an international educational programme for those planning to grow personally and build their careers in Russia.

The program will be implemented in the modular format, which will allow students to learn on-the-job and immediately put the acquired knowledge and skills into practice. During their training, participants will work on three real-life business projects in Russia, the United States and China. The programme features cross-cutting courses in personal development, career support, as well as personal growth workshops by the founders and partners of the business school.

SKOLKOVO MBA team members Valeria Pavlyukovskaya, Antonina Pavlovskaya and Andrey Shapenko reveal the discoveries awaiting the participants of the programme and tell us how to spend one-and-a-half years of training to maximize the benefit for you and your business.

# SKOLKOVO MBA

avoiding  
a crisis of  
the genre



Today, business schools have to run forward at double speed just to keep from falling behind. The pace of change in the business environment, the rapid development of online education and the wide availability of information pose many challenges to the traditional university models, and more and more institutions are introducing innovative teaching methods. Nobody is surprised with business cases, business games and project work any more – these tools have become MBA standards. However, simply adding some practical components is not enough – it is essential to merge theory and practice, providing a variety of learning methods and formats, so that students get the most out of their investment of time and money. This principle was the basis for the new SKOLKOVO MBA programme.

So, what opportunities for exploring oneself, the world and the realm of business does the programme offer its audience?

### changing your company

Most MBA students are corporate managers or the owners of small or medium-sized businesses. Why then apply the knowledge and skills to abstract enterprises, if you can engage students in the real problems they face in the workplace? Starting with a full audit of the structure and business model of the company, they reveal weaknesses, find the ways to optimise, develop plans and introduce new business approaches that can bring a department or company to the next stage of development.

### turning your idea into a business

In times of economic instability, it is increasingly important to have the entrepreneurial skills necessary to survive, to share ideas and take the initiative in the corporate environment. That is why the SKOLKOVO MBA programme is constantly motivating its students to think from the perspective of new business owners. Starting with the development of a startup idea, participants go all the way to creating the initial prototype with the help of teachers, practitioners, mentors and... classmates, many of whom have considerable experience in entrepreneurship and in building business models. The culmination of the process is a trip to the world's centre of technological entrepreneurship in Silicon Valley, USA, where, in the famous IDEO design studio, participants are immersed in the unique environment, interact with experts, and find the best solutions to transform their idea into real products and businesses.

### getting a mentor from the Forbes List

It is hard to overestimate the role a mentor plays in one's life and business. For a young leader eager to succeed,



#### Ruben Vardanyan

Deputy Chairman of the SKOLKOVO International Advisory Board, SKOLKOVO MBA programme mentor

*I hope that I will be able to help students learn how to overcome setbacks and teach them how to get up after a fall and move on. This is a very important element of success for any businessman and manager.*

*I was very lucky: I was surrounded with lots of people who were more experienced and older than me – and who were happy to join in building the Troika Dialog company. They helped me with advice, work and personal example – by showing how you could do the work and how you had to do it. As a young entrepreneur, I was very fortunate to have such teachers and partners.*

*I think it's very important to have a mentor and not to be afraid to find people who will not only praise you, but also criticize you – tell you things that aren't very pretty. It is important to be able to take advantage of this, and not hesitate to ask questions. It is not easy for everyone, and not everyone is ready for that.*



#### Andrey Rappoport

SKOLKOVO Business School president, SKOLKOVO MBA programme mentor

*Everyone always needs a mentor – both in business and in the substantial, cultural sense. It is an invaluable aid for anyone who would like to acquire new knowledge.*

*A student should treat a mentor is not just as a teacher, but as a partner with whom they would like to share their ideas and whose opinion on a particular business project they would like to hear.*

*For me, mentoring is, first of all, communication. As a person and as an investor, I am curious to know the concerns of this generation, and what new and creative ideas they will have. I like to socialize, and I am ready to help, and maybe even become a partner.*

having an experienced mentor is crucial these days. But how can one find such a person, when the majority of successful people usually lack time for their own family? Business schools are just the place where promising people meet those looking for talent or new interesting business ideas. SKOLKOVO MBA students have a unique chance to participate in personal growth workshops by the country's most successful entrepreneurs. The list of the schools' founders includes 18 top companies and individuals. Throughout the year, students get to meet people whose names can be seen on the front pages of the leading business magazines. The participants will be able to share their business ideas, learn the ways to attract investment and simply get some advice for a difficult choice, which is priceless on its own accord. In the history of the MBA programme, there have been many cases when a student came to the school with an idea and left with the funding and support for it.

### understanding the chinese consumer

The centre of economic gravity is gradually shifting to Asia, and many businessmen face the vital necessity to be able to work in this complex region. The intensive week-long educational module in Shanghai, preceded by three months of preparation, provides the participants with the opportunity to discover successful ways to enter this market. Throughout the week, students study the values and perceptions of Chinese consumers in order to help a real company develop a marketing and sales strategy. The most striking examples from previous projects include launching a new brand of dog and cat food, as well as introducing brands of dairy products and premium alcohol to the market, which is remarkable owing to the fact that these products seem very uncharacteristic of the Chinese culture.

### solving real-life business problems in a large company

One of the key elements of the SKOLKOVO MBA programme is the corporate consulting project that students work on throughout the last two months of their training. Leading Russian and international companies come to the business school with important strategic objectives, such as getting access to new markets, developing brand concepts, choosing among the options for strategic development, searching for new ideas and customers. Working as real-world consultants, project participants integrate the knowledge and skills acquired on the programme, expand their network of business contacts and learn new industries from the inside. Of course, the business school offers all kinds of support for the successful implementation of projects: industry experts are here to help the teams, and a full training module in collaboration with McKinsey is devoted to developing all the necessary skills and tools used by professional business consultants.

### venturing out of your comfort zone

Training within the programme goes beyond books and concepts, because real leadership is more than the ability to calculate cost-effectiveness and organize production. Leadership is, of course, the ability to lead people. And the best place to learn this is in an environment that places participants outside their usual comfort zone. This is why the final training module of the MBA programme is held in Kamchatka, where the students are in for sophisticated tests, coaching, teamwork, nightly reflection and concepts rethinking, which ultimately leads to the development of their own life and business strategies.

### getting a better understanding of yourself

As a rule, managers come to MBA programmes to get a better understanding of business. When their training is completed, they often say that they've gained a better understanding of themselves. The Leadership course often called the most useful at such programmes, and SKOLKOVO is no exception. It is impossible to effectively manage other people without first controlling oneself, and this fact doesn't depend on the country or the cultural context. Starting with the psychological tests and self-diagnostics, MBA students then go through team and project work, conflicts, games, mutual coaching and help from their mentors. The purpose here is to find out their own strengths and weaknesses, opportunities and aspirations in order to work more effectively with other people, as well to progress towards their targets with confidence.



# THE STARTUP FOR STARTUP

Startup Academy 5 began its life with a complete makeover. **Yuri Mitin**, Executive MBA programme alumnus, became the head of the most intensive educational programme at the school. **Mikhail Khomich**, his classmate at both MSU and SKOLKOVO Business School, was appointed the head of business development. How did these two go from startup-entrepreneurs and journalists to educators? What's changed and which student projects will be big in the coming months? Let's give the floor the guys themselves.

## why do we need all this?

It all started a long time ago when we both gradually started to realise that we were having a hard time existing within corporate frameworks. We began to engage in projects that were all somehow aimed at helping young entrepreneurs. At the same time we started teaching (and still teach) the Economics of Innovation and Entrepreneurship at MSU.

Of course, the MSU Business Incubator was a crucial stage in our lives – a very enriching experience. Built from scratch, the incubator let more than 50 projects either find investors or customers — or, to be honest, sometimes to close down. The leading university of the country stopped being just a scientific think tank, and started embracing entrepreneurship.

The most popular question people have been asking us is quite conventional: "Why are you interested in this?" The answer has long been the same: entrepreneurs are the ones who actually move the world forward. We need to help them – not by telling them what to do and how to do it, but by providing them with expertise and giving them a chance to network with smart people. That's what we do, and hopefully we do it well.

## what is special about the new startup Academy?

When Yuri got the offer to take over the SKOLKOVO Startup Academy, we made a thorough analysis of the market to be able to do something really useful that would be head and shoulders above other options.

We realised that a successful programme should consist of four elements.

**THE FIRST ONE** is a high quality educational platform. A bunch of theorists with vague ideas about how to do business in Russia, but no successful experience in the field, just won't do. What we need is a team of teachers/entrepreneurs who have built their businesses in Russia and are able to talk about it.



**THE SECOND** element is coaching. We know it for ourselves – when there is no control, there are problems with moving a business project forward. That is why after each week of the educational programme we get a personal coach to work with every student. Who is this coach? Usually it is an employee of a venture capital fund who knows exactly how to "pack" a project. To have such a personal adviser for 10 weeks of our programme is priceless.

**THE THIRD** element is a mentor. SKOLKOVO Business School has its own Mentor Association. We have over 50 "mentor-project" pairs. Our mentors are either SKOLKOVO Executive MBA programme alumni or the Founding Partners of the school. Being mentor doesn't mean having a title with a nice ring to it. It implies working with the project on a monthly basis. This is what makes our association alive and working.

**THE FOURTH** element is networking. When a student comes to SKOLKOVO Business School, he or she gets access to unique contacts. These are both the school's customers and graduates – successful entrepreneurs and top managers. We have quite a lot of cases when students do business together, and their sponsor is our alumnus who has become a business angel.

So, here is our set of four ingredients – this is all a beginner (and not only a beginner) businessman needs. Whether a student takes advantage of this set is a matter of personal choice. Still, one needs to be aware that the Startup Academy is no magic pill. Also, these four elements need to be accompanied by **THE FIFTH ONE** – hard work from dawn to dusk.

## what are the problems faced by Russian startups?

If you take a look at our students, you will see that they face different kinds of problems: some of them do not have enough money (these are few) and others lack a strong team (these are many). Many of them could do with presentations and social media marketing skills.

That is why we ask everyone to articulate the three problems they want to solve while studying here and the three goals they want to achieve. Then we monitor their progress.

## what will happen next?

First, we understand that we need to never stop working on ourselves and the programme. We constantly ask our students to evaluate each element of the programme (especially the coaches and teachers). We already know that some teachers will not be in the next programme. Tough? Maybe. But first of all, you have to be tough to yourself.

Second, we lack a few elements for completing the ecosystem – namely, the accelerator and the venture capital fund. Those are strategic goals. The accelerator has already been launched at SKOLKOVO Business School, and we will try to fill it with the projects of our students.

## our students

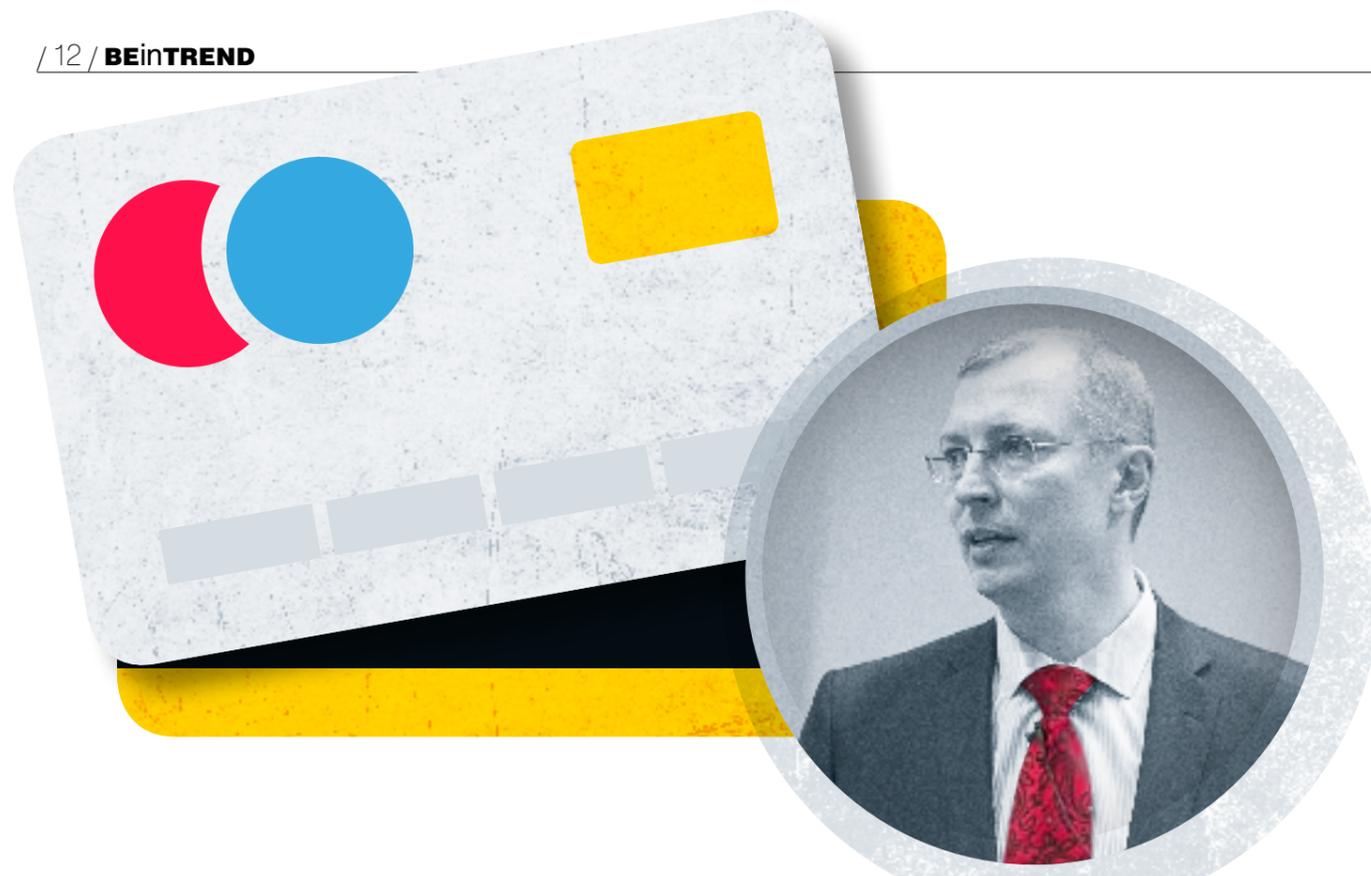
We're often asked for success stories. To begin with, let's be honest: 30% of our projects either change completely — or even close down. No one ever promised it would be easy.

There are lots of success stories, though. One of our favourite examples is the Pilaf Number 1 project by our student Ilkhom Ismailov. To combine work in an investment bank with pilaf delivery business was not an easy decision, and quite an ambitious one, but the business skyrocketed! This project is also great example of working with a mentor. Gor Nakhapetyan actually crashed the website with tons of orders (that is, it virtually collapsed)! Ilkhom just did not expect that many orders.

We have many more success stories, such as LP Generator by Maxim Ploskonosov, Multiship by Mergen Chumudov, CG Qourum by Grigory Kotomin, and many more – we wouldn't like to forget anyone.

How do success stories come to life? We believe not only in the projects – we believe in the people. The willingness to bulldoze your way through, to work with a mentor and to extract everything possible from the programme – this is the secret of success. There is nothing new here. The most important things are the good environment (SKOLKOVO Business School) and a good team (your project).

SEE YOU AT SKOLKOVO STARTUP ACADEMY!



# FINANCES, PAYMENTS, AND E-COMMERCE CHAIR

This year, with the support of the MasterCard international payment system, the Business School has opened a brand new Finances, Payments, and e-Commerce Chair. In an interview with Be in Trend magazine, Evgeny Plaksenkov, the Department's Head, talks about new department' plans for the future.

## The chair's areas of activity

We have defined five areas of activity:

**THE FIRST ONE**, the most essential and the far-reaching, is related to the Russian payment system. Within this area, we conduct a comprehensive study on the national level. Application studies bolster the competitive position and commercial success of our School.

**THE SECOND** topic of immediate interest for us is participation in the project of the International Bank for Reconstruction and Development (IBRD) for the promotion of financial literacy in Russia. We aspire to become the project's active participants, and we are

able not only to provide a high quality expert review in this area, but also to ensure the actual implementation of global best practices.

**THE THIRD** area we plan to develop is the foundation of a specialised laboratory acting as an industry accelerator for cashless settlement projects. Currently, we collect data on what projects already exist in this field, who implements them, and to what extent they can be considered breakthrough and future-proof. Later on, we will endeavour to support and promote the best of those. We are willing to share our technologies and information with entrepreneurs as well as to assist them in their search for necessary resources and investments.

**THE IMPLEMENTATION OF THE PROJECTS DEVOTED TO THE PROMOTION OF FINANCIAL LITERACY, SECURITY, AND AWARENESS IS OBVIOUSLY A SIGNIFICANT STEP TOWARDS THE CREATION OF TRANSPARENT AND RELIABLE DIGITAL ECONOMY. THOSE ARE THE MAIN COMPONENTS OF OUR DEPARTMENT'S MISSION**

**THE FOURTH** area is linked to the development of SKOLKOVO educational programmes: case studies, the application of educational materials, engagement of new professors, and creation of a KNOWLEDGE BASE for finances, payments, and e-commerce.

**THE FIFTH** element, crucial for this development stage, is the building of alliances, partnerships, consortiums, and other forms of cooperation with the industry leaders. We are interested in making sure the Department's activity is not isolated, but, on the contrary, strongly integrated into the financial services industry and connected to all professional participants of the cashless payment market. We will actively engage industry partners in the joint

implementation of research and educational projects. This year, we have already founded two consortiums – one with the CEFIR (Centre for Economic and Financial Research) as well as the NIFI (Research and Development Financial Institute), and another one with the CASE (Centre for Social and Economic Research), Central Europe. We also cooperate with the Central Bank of Russia as well as the Russian Ministry of Finance and have initiated interaction with national associations, payment councils, and all the key players of our industry.

The implementation of the projects devoted to the promotion of financial literacy, security, and awareness is obviously a significant step towards the creation of transparent and reliable digital economy. Those are main components of our Department's mission.

## Research

As part of the founded consortium, our Chair has launched a major study of the cashless settlement system. A special practical significance of this study is demonstrated by the current situation in our payment services market. We would like both regulators and other industry participants to use this study for their activity and for the development of Russian economy.

At the moment, relevant literature is being reviewed, project design is being shaped, and research methodology is being developed. Further, field research will be conducted, including in-depth interviews, i.e. polling of legal entities and natural persons all around Russia.

By January 01, 2015, we plan to receive research results and distribute them among interested parties.



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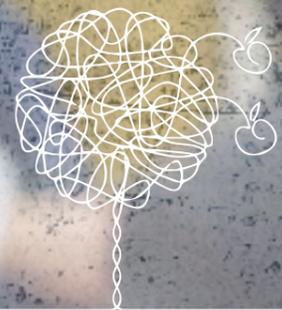
WHY IT IS NECESSARY  
TO INVEST INTO LOSS-  
MAKING SECTORS

TODAY'S MAIN  
CHALLENGES FOR  
HUMANITY

ON ECONOMIC  
GROWTH PROSPECTS

THE TWO TYPES OF  
ENTREPRENEURSHIP

INNOVATION-  
DRIVEN ECONOMY



conversation:

# ANATOLY CHUBAIS

What does business need  
to deploy innovations?

How to face economic  
challenges and use them  
for a company's benefit?

Why is it important  
to move towards an  
innovation-driven  
economy?

Anatoly Chubais,  
Chairman of the  
RUSNANO Executive  
Board and member of  
SKOLKOVO Business  
School Advisory Board,  
answered these questions  
during a Speakers Night  
lecture



## ON ECONOMIC GROWTH PROSPECTS

What could be a good driver for the Russian economy in the future? To answer this question, let's go back to the economic history of our country since early 2000s. Back then, the country saw unique growth, with the GDP doubling due to a very simple reason – the export driver. The 1998 deep devaluation increased the attractiveness of imports by several times. Consequently, our oil, gas, and ferrous and non-ferrous industries moved the economy forward. That growth continued for 10 years until 2008. Only by the late 2013 did Russia again reach the level of 2007. Today, the country faces a situation when the growth programme of the past 10 years is used up. We have no driver at the moment. Could there be a different one? Yes, there could be. And I strongly believe this should be an innovation-driven economy.

## TODAY'S MAIN CHALLENGES FOR HUMANITY

In order to determine the further direction of development and define where breakthroughs can occur, it is necessary to understand what is going on in the world today. It is relatively easy to get an answer at this point as the picture is very clear. Metal fabrication and energy consumption (oil, gas, coal) levels are growing. Enormous volumes of resources have already been sent for processing, creating an incredible momentum. The population and life expectancy are growing at an exponential rate. On October 31, 2011, the world's population hit 7 billion people. Do you remember that, 20–30 years ago, we were talking about the golden billion, Europe and the USA, consuming the lion's share of the world's resources? The second golden billion emerged in China. The third one – in India. The growth of consumption forces us to question whether the global system is capable of managing this demand from the point of view of resource availability.

Possible scenarios of development are as follows: trend continuation, which is impossible from the point of view of the global system, or collapse, the rupture of trends, and decrease in the population and quality of life indicators – an undesirable scenario which could lead to the outbreak of world wars.

The task we face today is the development of balanced and sustainable growth. I am very positive that this is possible. To make it happen, we need fundamentally new materials, new sources of energy, and a new healthcare system.

## UNDERSTANDING WHERE DEMAND IS

To make the future possible, we should understand precisely what we need even now. I think we need basic construction materials that are 10 times stronger than the current ones. Let's consider metal, cement, and plastic. We need them to be several times stronger.

Think, for instance, of a Mercedes. Its degree of efficiency is 25%, if we talk about the ratio between vehicle weight and passenger weight. But what does 25% mean? It is almost a locomotive with its 7%.

I think it is extremely important to have available materials which can replace light-gauge steel, while preserving the strength characteristics but being significantly less in weight. In engines and bases, for instance, steel is replaced by aluminium, which is already good; however, this is not a revolution. What's next?

Today, leading automobile companies either buy or build carbon fibre production plants. Therefore, nanocomposite carbon fibre-reinforced plastic may well form the basis for the next models. Not only for Formula 1 sports cars, but for production cars as well. To understand the future, it is important to see what will be in demand.

## THE TWO TYPES OF ENTREPRENEURSHIP

What differs traditional entrepreneurship from innovative one? The first always requires competent management and money. The second also needs new products and technologies. One more distinction is efficiency. For traditional entrepreneurship, this is the main law of business, its 'core', unlike innovative entrepreneurship, for which target market is more important.

For instance, Steve Ballmer from Microsoft was once criticised by the audience at one of the Davos forums for adopting a cost reduction programme. When a company manages costs, it means that the launch of a new product is less of a priority. This is not an innovative business at all.

Another distinction is motivation. I venture to say that income is the main motivation for traditional entrepreneurial environment. This is absolutely normal and valid. However, it does not always make sense in the innovation sector. If we could ask Steve



Jobs, "What is more important for you? Your position in the Forbes list?" I am sure he would say "no." To develop a product and become a byword for it, being able to say "I made it!" – that is the strongest thing ever. As a matter of fact, it will not prevent you from making a fortune, as Steve Jobs's story proves.

## INNOVATION-DRIVEN ECONOMY

The only answer to humanity's global challenges in the 21st century is an innovation-driven economy. This is my true conviction. Our country fell behind the leaders by 20–30–40 years. Nevertheless, I cannot see any reason for us to miss this train. I understand our historical fundamental problems; however, I can also understand and see our historical fundamental advantages. I cannot see any problem that will stop Russia from developing a real innovation-driven economy.

Although our state's actions in this area have been, from my point of view, reasonable and correct, the main issue still remains unresolved. The private sector has not turned to face towards the innovation-driven economy. I am not talking about the start-up businesses that have emerged or the companies we invested in. I am talking about the private sector in Russia as a whole, which generates more than a half of the nation's GDP today. It still sees an innovation-driven economy as something artificial and far-fetched. The turn has not happened yet. But as soon as it happens, we will witness profound changes.

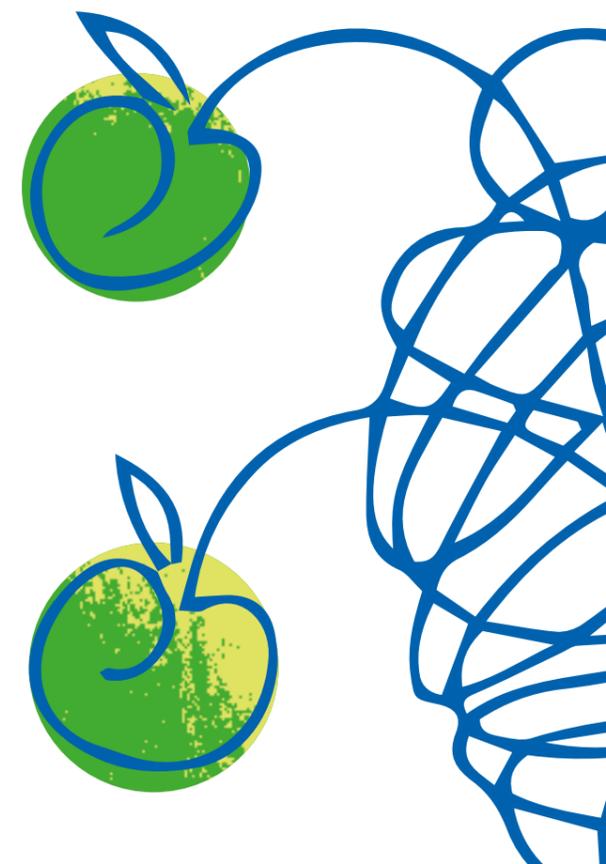
## WHY IT IS NECESSARY TO INVEST INTO LOSS-MAKING SECTORS

It is not very common to create a product which is better and cheaper than its equivalents. Generally, an innovative product is better but costs more. It can pay off during its life cycle, but more often than not it barely breaks even. It is here where special state solutions are required. Let's consider renewable energy as an example and track its evolution over the last 20 years. During this period, the world has created a new sector of renewable energy. Take a look around: wind power stations and solar panels have become a common phenomenon. Fifteen years ago, the solar power generation volume

was zero. Do you realise that the entire renewable energy sector has been economically meaningless up until this very day? It is unprofitable. It only exists because of subsidies. Over the past 20 years, it has been subsidised by Europe, the USA, and other developed countries. What for? By subsidising it, they were creating not only clean power, but also the industry, engineering and science behind it. As a result, they have now have got a cutting-edge sector that can conquer the world market.

## SKOLKOVO BUSINESS SCHOOL – a PROJECT WITH THE RIGHT FOUNDATION

I have always had a special relationship with SKOLKOVO Business School. Primarily, that is because this is a private project launched in 2006. I admire the people who created it. I can roughly imagine the difficulties the project faces at the moment, but for me it is more important that the project is alive and healthy, having a right foundation. I truly wish it to stay this way. If I can contribute to this project, I am eager to do so. I am certain that SKOLKOVO Business School is essential for our country; and I strongly believe that its graduates are not only in demand, but they are the people who will change the country every day.





# CITY OF THE FUTURE

What will the city of the future look like? Who will live in it and what will their needs be? What is an innovative city? Could Moscow become a city of the future and how do we make it happen?

These questions could be the premise for another sci-fi blockbuster. However, the search for the answers involves solving multiple real day-to-day life challenges. Moscow officials participating in the training programme titled Managing Innovation Projects had to find 'smart' and effective solutions for introducing innovation into daily urban reality.

BE IN TREND LEARNED FIRST-HAND HOW THE IDEA OF THE TRAINING PROGRAMME CAME ABOUT, WHAT SPECIFIC TASKS THE PARTICIPANTS HAVE FACED, AND WHAT RESULTS HAVE BEEN ACHIEVED.

"The client was the Moscow Department of Science, Industrial Policy and Entrepreneurship. In particular, the programme was developed by the Centre for the Innovative Development of Moscow that offers advice and support to new businesses and startups," says Svetlana Pashkevich, Programme Development Manager at the SKOLKOVO Business School. "First, we had a top level meeting with the School's management where we discussed how we, as a school for entrepreneurship, could 'fine-tune' the interaction between the various agencies of the Moscow government, which would lead to a synergistic effect. Among the results was the decision to develop a training programme for the officers of executive government agencies. Then, together with the Centre for the Innovative Development of Moscow, we started thinking about what the programme should entail."

What is 'innovation' and how can you measure its efficiency?

AN INNOVATIVE CITY IS PRIMARILY A CITY THAT ITSELF GENERATES INNOVATIONS



Thinking about an innovative city, we often imagine a fantastic megapolis, as seen in "The Fifth Element": pavements and bus shelters with built-in technology, with high-tech architecture. In fact, these are external appearances only. Indeed, an innovative city is primarily a city that itself generates innovations. This can only happen within a new economic framework that forms a different mindset. To make it happen, the 'agents of change', tasked with the creation of the capital city of the future, must learn to think and see things differently.

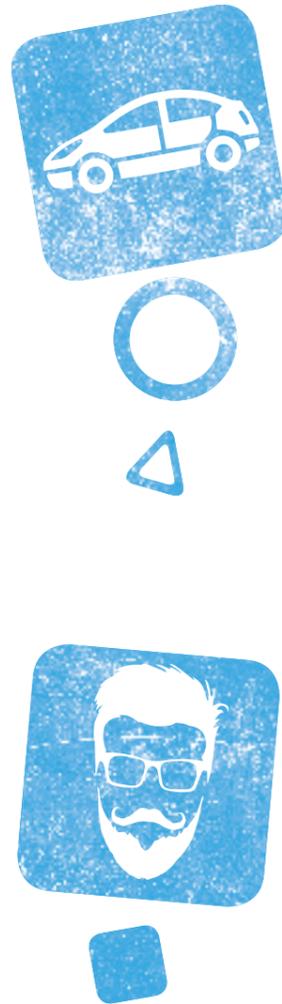
"Looking at the urban innovation projects developed by the world's high-tech centres, such as Hong Kong, Singapore, Barcelona, it is easy to note that their success mostly stems from the well-coordinated work of several units – different subdivisions of local government, management companies, and business. Such well-coordinated interaction provides synergistic effect to ensure success of infrastructure projects. It is crucial for the Moscow officials to adopt the best practices in design inter-departmental work, initiating and implementing interesting and innovation projects. Therefore, we acted as the drivers of the training programme," says Aleksey Parabuchev, Deputy General Director of the Centre for the Innovative Development of Moscow – one of the project's initiators.

The programme started in November 2013. The participants were 50 officials at the forefront of urban development of the future: the city's appointed champions for innovation, heads of Moscow Government's subdivisions and organisations under their supervision, all appointed to ensure the implementation of the city's new strategy for urban development declared by the Mayor - "Moscow: the Innovation Capital". The strategy sets as

a goal that Moscow should secure a top ranking among Europe's and the world's most innovative cities through the realisation of its potential for innovation.

The basis of the training programme is the aspiration to teach the Mayor's Office employees to find effective and out-of-the-box solutions to different urban problems, to provide them with new management practices and more effective management tools for a megapolis, and to prepare them for the implementation of complex urban projects. The programme's efficiency was evaluated according to the following criteria: the availability of well-designed projects focused on the enhancement of urban environment quality; the involvement of citizens in urban development and the use of new city economy management methods; the introduction of inter-departmental professional contacts at the Mayor's Office and the development of the new procedures to attract innovative solutions to the city.

The programme consisted of five modules and, rather traditionally, included an academic, a practical, and an expert module. "In the near future residents will be able to choose where to live: in Moscow, Hong Kong, Singapore, or New York. We



In the second module, participants looked into the future and designed a foresight map determining the look and feel of Moscow in the short-term perspective and then in 5, 10, and 20 years: what it will look like and what kind of people will be living there. The participants examined the city using the three key parameters: economy, human capital assets, and comfort (social interrelations). At this stage, the participants from different organisations, drawing on the foresight results, started to form teams and develop projects for the city, as well as plan further implementation.

In the third module, dedicated to design-thinking, participants had to act as consumers (citizens). For instance, the team developing a project for safety crossings had to see the road as both pedestrians and drivers and understand the challenges they face every day. Solutions to project tasks were designed as a result of these analytical processes.

Once the ultimate solution has been found and the project approved, what's next? How do you choose the right contractor? How do you provide finance? How do you manage timescales? How do you conduct communication? How do you work with the citizens? Those are the issues the fourth module dealt with. Its subject was design management. The main feature of this module was that the participants had to learn how to be a competent client ordering design solutions.

In the course of the training, the participants met inspiring experts; some of them literally changed the participants' mindsets. For instance, Yury Perelygin, a member of the Board of Directors of the Northwest Centre for Strategic Solutions Fund and an urban planner at heart, presented his own effective model for the reconstruction of urban historic sites. The lecture by sociologist Viktor Wachstein entitled, "Metaphors of the City", made participants think about various types of urbanism, from modernist to hipster.

At the end of the fifth, and last, module, the participants had to defend their projects in front of the Director of the Moscow Department of Science, Industrial Policy and Entrepreneurship,

Aleksey Komissarov, the Head of the Moscow Department of Culture, Sergey Kapkov, and the Dean of SKOLKOVO Business School and Mayoral Adviser, Andrei Sharonov. The jury examined seven projects. The training made it possible



IN THE NEAR FUTURE RESIDENTS WILL BE ABLE TO CHOOSE WHERE TO LIVE: IN MOSCOW, HONG KONG, SINGAPORE, OR NEW YORK

for participants to take a journey into the Moscow of the future. Therefore, the projects served as bridges to a future capital designed to be comfortable and convenient to live and work in.

The best-designed project was the project for the reduction of the noise impact from motor transport on Moscow's streets. It originated at the first module and acquired a life of its own at the third module. We hope to see the implementation of this project on the streets of our city in the near future.

The jury also noted a project that aims to create a comfortable urban environment for children. Its authors suggested the idea of renovating children's playgrounds and leisure facilities and developing a specific sign system to indicate children-friendly locations.

The topical unit on social interactions among citizens gave rise to a project named Discussion Platform, stipulating online and offline opportunities for people from various social groups to communicate with each other on fundamental questions concerning urban development.

To enable the advancement of Moscow as a centre for creativity, the officials suggested further developing Youth Centres for Innovation where future engineers will be able to design test models of various technical ideas.

Andrei Sharonov, Dean of SKOLKOVO Business School, commenting on the

outcome of the programme, pointed out: "The Moscow Government is so big that people who are, de-facto, acting as associates in resolving the same issues often do not know each other. The participants admit that one of the programme's advantages is that they now personally know each other. This human interaction will help implement the complex urban projects not assigned to any one department. As concerns the final projects, none of them could be seen as far-fetched. They, each of them, reflect real problems faced by this city. The challenge ahead of participants now is, what's going to happen to their ideas next? Indeed, the point of this programme is to design a project and then implement it."



THE PARTICIPANTS HAD TO LEARN HOW TO BE A COMPETENT CLIENT ORDERING DESIGN SOLUTIONS

won't be choosing a country. Instead we will be choosing a city to move to, as they all become megapolises offering interesting perspectives. And this is the trend Moscow must get into. Therefore, the first thing we talked through at the programme was global competition between cities. We showed the market size of urban economies now and in the future and defined the area of responsibility for the participants acting as executive authorities in the development of a comfortable environment in the city," says Svetlana Pashkevich.



THE TRAINING MADE IT POSSIBLE FOR PARTICIPANTS TO TAKE A JOURNEY INTO THE MOSCOW OF THE FUTURE; THEREFORE, THE PROJECTS SERVED AS SOME SORT OF BRIDGES INTO THE FUTURE OF A CAPITAL

Last summer witnessed the second joint programme of Moscow School of Management SKOLKOVO and ROSATOM State Atomic Energy Corporation, entitled, "Management of Technological Innovation". The team projects were presented and defended to ROSATOM's top management and the Business School's representatives

# CATCHING UP WITH THE TECHNOLOGICAL WAVE

Fifty-six managers from ROSATOM completed the course. All of them had management experience and engineering degrees. The programme consisted of seven modules, including study placements at research institutes and major tech companies in Europe, with the aim of studying the best practices in innovation management. Initially, the focus of the Business School was to deliver a training programme preparing a management team, as well as to create projects intended to bring about technological and organisational change. The key component of the Management of Technological Innovation programme was combining scientific research and the practical application of technology.

Four projects were selected for the final defence: two startup projects in areas related to atomic industry and two innovative technology projects. ROSATOM's management paid special attention to these projects because one of them is related to the design of a new type of reactor intended for arctic exploration. The other one was a project to introduce a fault recognition system for power lines.

**NATALIA ILYINA,  
DEPUTY CEO FOR INNOVATION MANAGEMENT AT ROSATOM**



In 2012 ROSATOM declared its main goal: achieving the technological leadership on the world market. The following objective factors promoting the goal were created: our R&D investment reached 4.5% (among the top 10 world leaders in technology), our corporate innovation programme was rated first among similar programmes in Russia.

The only task left unsolved was a subjective factor concerning the staff: who will manage the process and drive the corporation forward? We needed to find a way to prepare staff who would act as competent clients able to capitalise innovation. At the same time, the first corporate programme, developed together with SKOLKOVO Business School and designed to last nearly a year, was about to take off. The key focus of the programme and its goal was to train professionals who could act as competent clients.

During this academic year, participants defined the key obstacles to technological leadership and developed organisational solutions. Among the most significant projects were the development of an online forum for higher education institutions, project rating methodology, and procedures evaluating staffing needs. We were happy with our first joint programme experience. As a result, we now have a team unafraid to share their vision, and solutions that are well calculated and supported by world expertise.

The second corporate educational programme was focused on training developers, not clients. It was necessary to initiate active cooperation between these two groups to ensure a constructive dialog. The participants had to work out an implementation path from idea to end-product. They were free to select their projects: they themselves had to define key technological trends, form a team, and motivate their colleagues to work closely on the project. Acting as organisers, we divided these projects into three categories: long-term, current, and technology startup projects.

What does the future hold? The key achievement of the first programme, as we see it, is the implementation of the regulating standards for newly developed elements. The goal of the second programme is implementation of one third of its projects within a year.

We are already planning a third corporate programme and setting even more ambitious goals for ourselves and the participants. The final project developed by the teams will have to meet two requirements: the client must be identified and solutions to the task of attracting investment have to be outlined.

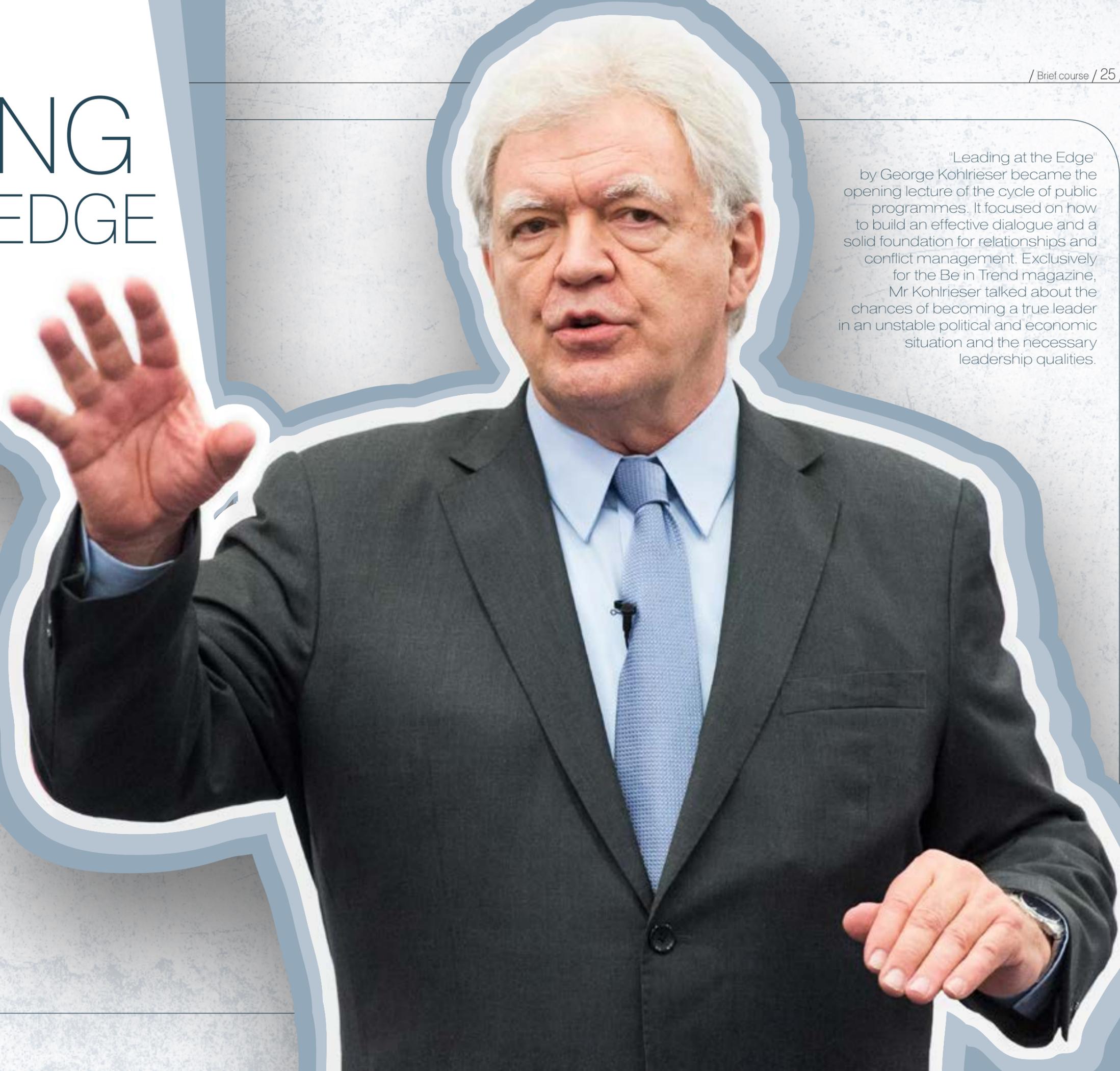
This means that projects will have to be developed with a particular client and an implementation plan in mind from their very beginning. The teams that accept the challenge and do not hesitate to implement their project will become the true innovation leaders in the industry.

In the two years of conducting the programme, we have developed many practical ideas, such as how to build an innovation management system within the corporation. We would like to assign this job to graduates of both of the programme's courses. We are currently considering a Management of Technological Innovation alumni club. Those who have completed the full training course at SKOLKOVO Business School have learned to think differently, see the full cycle of a project from idea to end-product, estimate costs and benefits. These are the people who form an ecosystem, act as leaders and agents of change. Even now it is possible to identify top-priority tasks, such as setting up a communication forum for innovative projects. It is time for the business school graduates to become managers and share their knowledge and competence gained at the school with others. We are planning to involve our graduates in every part of the innovation section of the programme. This means that, following graduation, we are going to be at our busiest.

# LEADING AT THE EDGE

"Leading at the Edge" by George Kohlrieser became the opening lecture of the cycle of public programmes. It focused on how to build an effective dialogue and a solid foundation for relationships and conflict management. Exclusively for the Be in Trend magazine, Mr Kohlrieser talked about the chances of becoming a true leader in an unstable political and economic situation and the necessary leadership qualities.

In 2014, Moscow School of Management SKOLKOVO started a series of public programmes that are intensive lectures and workshops with world-famous gurus of business education. This format helps quickly develop managerial competencies and acquire knowledge and skills in a particular area, and it provides an opportunity to meet with authors of fascinating theories who are experienced in working with corporations around the world.



## Trust during times of change

During the times of change, ambiguity and uncertainty, leaders are particularly important because they instil trust and provide a sense of security. At such times, people need trustworthy leaders. Sometimes, they should be proactive, sometimes vice versa; in some situations, they should lead people, in others, push them forward. It all depends on the context and the people you are working with. However, one thing is clear—these must be the strongest leaders. Thus, our task is to promote such leaders.

## How leaders change

Recently, leadership has already started to transform; the main change is the shift from command and control to collaboration and cooperation. The fact is that people are more willing to participate in a joint effort, to belong to some group, to be involved in the process. That is why a highly authoritarian leader who is too focused on goals and objectives makes them feel, at best, neglected; at worst, they feel as if they are slaves or servants. If modern leaders want to achieve best results and maximum growth, they should be able to establish contact.

## Power of success

Of course, changes are not easy. Imagine you meet a person who says, "I intimidate others, I always have and will do it till the last." That is the way he is, full of passion and energy. Being a hostage negotiation specialist, I teach how to negotiate with this type of person who is used to coercing others and cannot imagine changing themselves. The question is whether this person can understand that a different approach will improve his results. If his only interest is a sense of power, it will be more difficult but still possible to change. However, if a leader is interested in success and sincerely believes that it requires his command and coercion, it will be easier for him to realise that influence and

persuasion are more effective than suppression.

## visionary style of Leadership

In countries undergoing transition, in an atmosphere of social fear and anxiety it is very important for a leader to take time to establish contact with people and to build trustful relationships. This leadership style is called "visionary", or, as Daniel Goleman calls it, "authoritative." It implies build-

want to perform the task themselves. There is no need to use command or management methods specific to the authoritarian type of leadership.

Today, the Russian leaders tend to think—and this may be due to the transition period or hard times in the past—that people are not quite trustworthy or that leaders have to practice micromanagement. If you give your employees an opportunity to develop their skills, they will gradually acquire an intrinsic motivation: "I want to learn and to contribute."

AT ITS BEST,  
LEADERSHIP IS THE ABILITY TO INSPIRE,  
TO CAUSE CHANGE,  
TO DEVELOP PERSONNEL,  
AND TO STRENGTHEN THE TEAM.

ing a secure basis for interaction that allows people to trust the leader and follow him on their own free will. With such an approach, one can lead people through a change.

It is important to understand that, when a country is in transition, people do not resist the change, they are afraid of the new and sensitive to the unknown. If you help them to see the benefits of the situation, to go through the difficulty, and to set themselves up for a noble cause or higher good, they will gradually adapt to the new conditions.

## today's ideal leader

At its best, leadership is the ability to inspire, to cause change, to develop personnel, and to strengthen the team. To be a leader means to create a culture that includes all of these principles. Using this system, a leader does not have to overwork, since people are inspired, feel involved, and

## signs of trust

Due to our instinct of survival, our brain is basically negative. It is possible to neutralise negative attitudes by creating an environment in which a team feels safe, experiences personal involvement, and feels appreciation. The employees do not need criticism and harsh words; for them, it is important to know that their leader is nearby, that he will help them, provide them with opportunities, challenge them, that he is interested in their development.

The main trick is to turn your Playing Not to Lose mode off, turning Playing to Win on instead. This is an obstacle for the authoritarian leaders. They are always afraid of defeat; they are haunted by the fear that someone will do the job worse than they would so they can only trust themselves. A shift towards the Playing to Win strategy implies trusting people and supporting them in case of defeat. If someone has had a failure, discuss it together.

THE MAIN TRICK FOR A LEADER IS TO TURN THE PLAYING NOT TO LOSE MODE OFF IN HIS HEAD, TURNING PLAYING TO WIN ON INSTEAD.

## Learning through action

There are many ways to develop personally. Someone can stay in one place and gain knowledge, but there is no guarantee that this will work for everyone, as the brain learns through action. Today, there are many new methods of leadership training: Equine Assisted Learning, training on a golf course or with an orchestra, improvisational theatre, and role-playing games. For example, when people work with horses, spend time in the fresh air, they are entirely involved in the process of interaction, viewpoint establishment, conflict management,

and so on. In addition, work with animals requires a special approach. You can do it in such a way that they will be willing to connect with you. But they are well aware if you try force them to do something, or are afraid of them.

All of these alternative training methods are good as they develop self-confidence, self-reliance, and trust in other people. This is exactly what Russian leaders should develop. The SKOLKOVO Business School creates "field conditions" within their programmes, so that students can apply what they learned in action and develop these qualities.

education should focus on creativity. A crisis means possibilities. This is what managers should learn. When an unexpected crisis shows up, they are afraid, their brains refuse to work, and their defence mechanisms turn on.

Great leaders say that finding opportunities in a crisis may lead to wonderful things – and this is true. It is not easy, because many of us fall into an emotional cycle, a term from behavioural economics, which means a state of fear in which a person is inclined to reduce his/her activities, which in turn causes a snowball effect in all areas. A loss should be seen as

A CRISIS MEANS POSSIBILITIES.  
THIS IS WHAT MANAGERS SHOULD LEARN.

## crisis always means possibilities

During economic recession, we need new leaders who are ready for the change. That is why business

an opportunity. A crisis is a loss, and an economic crisis is a type of loss. Rather than shrink away and hide, we should ask: what are the possibilities? What can we do differently? How can we start thinking globally?



# HOLIDAY <sup>cubed</sup>



"Mr Kusnirovich picked up our box, turned it around a few times and said: 'Holiday Boxed sounds a little awkward. You've got a cube here, actually. Why don't you name it Holiday Cubed?' We immediately got it—that's it, we're going to go with that!" Sergey Raitsev is talking about his project mentor while shaking a large motley box that is almost too big for the coffee house table. The box is indeed a cube and it contains six sections each stuffed with various strange-looking objects. There is a crown, a coat of arms, a magical amulet, sequins, a mysterious liquid in a small bottle, a ghost suite and many other things. "And here, at the fifth stage, comes time for the experiment. The children are very excited about it. If you pour liquid over these flakes, they turn into magic worms! Let's do it!" The waitress gives Sergey a pleading look. "Ok, let's not" he resigns

Sergey Raitsev used to be a banker. He had never dealt with projects for children, nor had any plans to do so, not even after his first year at the SKOLKOVO Business School. Mr Raitsev was interested in retail, e-commerce – anything and everything to do with sales. Making plans for his MBA programme, he wondered what else he could do besides banking. When the school students were doing a module in Silicon Valley, Sergey together with an international team worked on an application that could replace the cash register and the cashier and increase a supermarket's capacity. They tested the technology in several major retail chains in the US and the store managers were very happy: there was less work for the staff and there were about 10% more customers making purchases. Unfortunately, the project did not progress past the prototype stage. The team members went home and got busy with their own projects. Sergey Raitsev, for one, made friends with a classmate of his, Elena Lipanova, and got inspired by her idea that she had worked on during her international modules in India and the U.S.

Prior to the Business School, Mrs Lipanova worked as commercial director at a large leasing company. Like Sergey, she had never been involved in projects for children, but business education coincided with her maternity leave, so willing or not, she often wondered how to make life easier for young mothers, while keeping the little ones happy too. After the birth of her child, Mrs Lipanova joined a circle of friends who were also mothers and started going to children's parties where childless adults are not normally invited. She found out that organising a birthday party for a 3-year-old or a 5-year-old is a costly affair, while what you get is not always what you expect. For example, some animators refuse to work at the client's house. That means a venue has to be rented as well. The services of a good party host are expensive, around 10,000 roubles, but hiring a cheap one means you may be running the risk of ruining the party. The programmes offered by children's party agencies are not always very well thought out in term of the age of the audience. The children are often bored because they are too young for the show or have outgrown the kind of entertainment offered to them. All in all, there was an obvious problem with no simple solution.

Mrs Lipanova had long known about subscription-based services: a customer would pay a certain fee and receive a surprise box monthly with new toys, colouring books and other bits and bobs that would keep your little one busy and happy. Such a service, Elena concluded, would solve the problems with children's parties. But how could she, with no sound starting capital, design and fill several fun boxes?

They invested their own money in the project and Mikhail Kusnirovich, their mentor, helped promote it.

A Holiday Cubed – that is what Mr Raitsev and Mrs Lipanova ended up naming their project – can be bought in the Children's GUM that Mr Kusnirovich owns. He prompted the startup-entrepreneurs to make a product for the traditional retail market that, with some extra offers, could also be sold on the Internet.



Mrs Lipanova and Mr Raitsev made their first batch of boxes in December 2013. By February, they had sold 200 units. They both invested 1 million roubles in the project and, to make their project grow faster, decided to get an investor on board as well. IIDF (Internet Initiative Development Fund) that does not only provide financial support, but also provides valuable advice, became that investor. For instance, the project founders had long puzzled over why their Internet sales was doing so poorly. They measured the conversion rate, tried moving the Buy button around the webpage, showed the website to their web-design and software engineer friends, and no one could see the problem. They were close to giving up on their product: maybe it is just not meant to do well on the internet. IIDF experts realised that perhaps the website was

not very user-friendly and literally sent the two MBA graduates to the sandbox to show the website to young mums and take their impartial opinion. Upon a quick look, every single one of them thought they were looking at the website of a children's party agency and showed no interest in the offer at all. The project team realised where they had erred, and a few months later managed to boost their online sales revenue from a tiny share in their turnover to 32%.

The development plan for the Holiday Cubed start-up is to design at least 30 new cubes, including offers for grown-ups. The corporate segment has shown interest in this entertainment product. The start-up is already working on ideas for a whole line of cubes for grown-ups: birthday, New Year, Defender of the Fatherland Day and International Women's Day, as well as corporate parties and even romantic rendezvous.

The next stage is to lower the prime cost of the cube through a larger volume of orders sold, to motivate the management of kindergartens and primary schools to purchase discount sets as well as take to shop shelves in specialised retail. The product for children has turned out promising and exciting, despite the fact that it has nothing to do with robots or gadgets, but instead is all about tinsel, cardboard and magic worms.



Maria Fomina spent her childhood near a riverbank. In the 90's, her father was a river port manager on the Oka in Kolomna. He later bought the port and started a modern transport company with the resources inherited from the Soviet past.

It was never unusual for the hospitable family to have relatives, friends and colleagues visiting them. Ten years ago, there was nowhere to stay in Kolomna, and the family came up with an idea: "Let's set up a guest house on the riverbank doubling as a hotel!" That is the story of how The 40th Meridian came about. Over time, a restaurant, yacht club and spa centre sprang up in addition to the hotel. The Alekseyevs built a promenade along the Oka, so both townspeople and tourists could enjoy strolls along the river.

The new undertaking absorbed Maria Fomina's parents. She, however, took no part in her mother and father's projects at that point. She trained as a lawyer, married and began to build a career in the consulting business. She worked for the Big Four, Ernst & Young and Deloitte. In 2008, at the time of the financial crisis in Russia, many consulting and audit companies were reducing their staff and cutting costs. Maria survived those turbulent days, but was wondering about the industry prospects and about her own growth. She wanted to step out of her comfort zone to see new opportunities. Therefore, she decided to go back to school. Knowledge was not Maria's primary objective. It was more important for her to be among proactive people with wide experience and bright ideas. Maria chose to do an MBA programme at SKOLKOVO Business School. "I started the programme with the idea that I wanted to be as open as possible to all that could help me rise to the next level – and my estimation proved right."

While Maria was studying, her family's business kept growing. The family now had over a hundred 4-star hotel rooms and two restaurants. When Mrs Fomina came to Kolomna, she saw that her parents' prosperous business could be more effective. Her studies at the business school helped her to improve their positioning and what impact the right branding might have. It became clear to her that the business was easy to scale, and the hotels could easily be brought to new markets.

Maria's mentor, Vice-President of the Moscow School of Management SKOLKOVO Valentin Zavadnikov, after hearing her story, gave her some advice: "Look, you know everything about your town. Why don't you share that with the tourists?" What else could a hotel in a tourist town offer to attract new guests? The days when hotel guests were content with the basics – a clean room, reasonable service and a pleasant interior – have passed. So, Maria decided she wanted to create a truly unique product. "I always enjoyed having visitors. Even as a university student, whenever friends stayed with me, I gladly took them on tours of the town acting as a guide for them. Now we offer such service that anyone visiting our town will learn as much as possible about it from us." Mrs Fomina and Mr Zavadnikov set their main goal as follows: they wanted to offer a unique customer experience for the hotels' visitors that would ensure

an emotional connection to the 40th Meridian brand. The 40th Meridian's problem was empty periods when the corporate clients would leave the hotel largely unfilled after they departed. Mrs Fomina decided to fix it by attracting more private clients. The first thing she did was re-brand. The second challenge was to transform the premises. They transformed the well-tended promenade into a cozy recreational space for guests, with benches and architectural compositions in the pedestrian zones. Once the Meridian's new image was complete, the most important part of the work began – Mrs Fomina now needed to cast her net for the tourists.



While politicians discuss a programme to promote domestic tourism in various ministries, Maria Fomina embodies the concept. She spends most of her time now developing a project called *ilovekolomna*. "Two guided tours, three museums, two monasteries and a night at the river hotel for 7,500 roubles for two". This offer advertised on their website draws people not so much to Mrs Fomina's hotel as to the ancient city on the river Moskva. Maria is busy merging existing disparate tourist attractions into a single route.

In the summer, she held the first Food Festival and brought to Kolomna the fixtures of Moscow's food markets, with their fresh burgers, ruddy falafel, natural lemonade and American desserts. The tents were set up on the embankment against the backdrop of the hotel's facade – a cunning move that ensured most of the participants' photos featured The 40th Meridian's sign. The festival was a success and Maria hopes to make it an annual event. She is also trying to come up with other formats as well – ideally, viral, and not too expensive. "In the hotel industry, the entry threshold has always been very significant. In the ten years of operations, investment in the hotels and the infrastructure has paid off. The business is generating profit, but we are continually reinvesting it. So when we start a discussion about a new business opportunity, even when it is not particularly costly, we have to make an effort to release the funds required for that," Maria says, discussing her difficulties quite freely. In the past, she believed that a business is successful when the financial figures are constantly growing, but eventually she realised that what makes a hotel successful is the growing number of guests. Measured by that benchmark, The 40th Meridian is indeed a success story.



# SKOLKOVO Alumni convention



PARTICIPANTS OF THE TRADITIONAL SKOLKOVO MILE RACE

On June 20–22 all alumni gathered at the Moscow School of Management SKOLKOVO for the first ever SKOLKOVO Alumni Convention to remember their "student" past, analyze the present and look into the future. The programme included many educational and entertainment events

**SKOLKOVO Alumni Convention stats:**

- 72 hours
- ☆ 300 guests
- ☆ 150 regatta participants
- ☆ 23 partners



SKOLKOVO MILE RACE



DMITRY YURCHENKO, MBA-1



DENIS KONANCHUK, HEAD OF THE SKOLKOVO EDUCATION DEVELOPMENT CENTRE



VLADIMIR VOLOSHIN, PRESIDENT OF THE SKOLKOVO ALUMNI COMMUNITY, EMBA-8



KEITH GOODALL, VISITING PROFESSOR OF HR MANAGEMENT



SHAKHMURAD FAZAILOV, PRACTICUM FOR DIRECTORS -1, EKATERINA INOZEMTSEVA, HEAD OF ALUMNI RELATIONS



SPEAKERS NIGHT WITH ALEKSEY KUDRIN "GLOBAL CHALLENGES FOR THE ECONOMY OF RUSSIA"



ELENA MUKHAMETZYANOVA, STARTUP ACADEMY - 4



DEGREE PROGRAMMES TEAM - VALERIA PAVLUKOVSKAYA AND ELENA TRETYAKOVA -AND STEPHEN CARVER, VISITING PROFESSOR OF PROJECT MANAGEMENT



GOR NAKHAPETYAN, CHAIRMAN OF THE ALUMNI BOARD OF THE MOSCOW SCHOOL OF MANAGEMENT SKOLKOVO AND SKOLKOVO ALUMNI – ANDREY SHELOMENTSEV, STARTUP ACADEMY – 2, PAVEL BOBKOV, STARTUP ACADEMY – 2, GRANT ALAVERDYAN, MBA-2, SERGEY POPPER, EMBA-7



ELENA SHIFRINA, MBA-1



SERGEY KOLTOVITCH, EMBA-3, ELENA MUKHAMETZYANOVA, STARTUP ACADEMY – 4



DIANA ARBENINA



SKOLKOVO SAILING REGATTA FOR THE SKOLKOVO CUP



ANDREI SHARONOV, DEAN OF THE MOSCOW SCHOOL OF MANAGEMENT SKOLKOVO



ANDREY RAPPOORT, PRESIDENT OF THE MOSCOW SCHOOL OF MANAGEMENT SKOLKOVO



GOR NAKHAPETYAN, CHAIRMAN OF THE ALUMNI BOARD OF THE MOSCOW SCHOOL OF MANAGEMENT SKOLKOVO



ANDREY MAKAREVICH



WINNERS OF THE SKOLKOVO SAILING REGATTA



ORGANIZERS OF THE CROWDFUNDING PROJECT "WHITE PIANO": LUBAVA TANEVA, EMBA-7, EVGENIYA SABADISHINA, STARTUP ACADEMY -3



ANNA KHARNAS, HEAD OF BUSINESS DEVELOPMENT DEPARTMENT, EKATERINA INOZEMTSEVA, HEAD OF ALUMNI RELATIONS



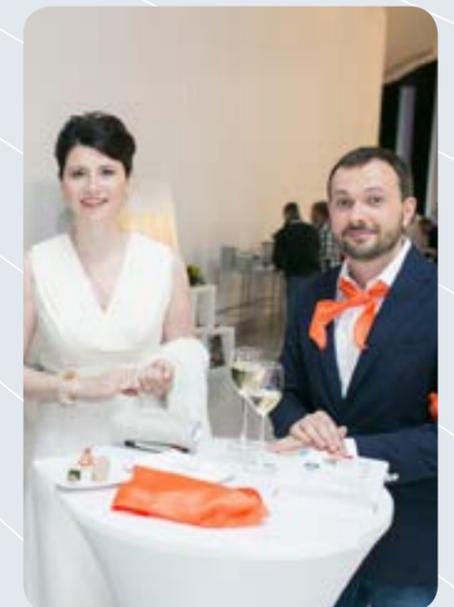
ALEKSEY DYSKIN, EMBA-7, RUSLAN MUKHAMETZYANOV, EMBA-7



ALEXANDER ZILBERT, GENERAL MANAGER OF THE RUSSIAN PIONEER MAGAZINE



ANDREI SHARONOV PLAYING ANTIQUE BECKER PIANO PRESENTED BY SKOLKOVO ALUMNI TO THE BUSINESS SCHOOL



TATIANA OLIFIROVA, EMBA-1, MAXIM KARPOV, EMBA-1, HEAD OF THE SKOLKOVO ENTREPRENEURIAL COMMUNITY



Library Project Manager,  
Moscow School  
of Management  
SKOLKOVO



# Open Enrolment SERIES

If you want to change yourself, change other people's opinion of yourself, find new approaches to complex problems, succeed against all odds, improve the work environment or acquire new skills – then the books from the list below suggest helpful methods for achieving these goals.

**Tony Hsieh**  
**Delivering Happiness: A Path to Profits, Passion, and Purpose.**  
 The Russian edition was published by Mann, Ivanov & Ferber, 2010, 2013.



In 2009, when Amazon completed the acquisition of the online shoe store Zappos, its cost was \$ 1.2 billion. But, as CEO Tony Hsieh pointed out, the main thing for Zappos is not just business.

The company strives to make everyone happy, including its employees. The book describes how Hsieh used scientific studies of happiness to create a positive work environment. For example, Happiness Framework 1 includes four components: perceived control, perceived progress, connectedness (in terms of number and depth of relationships), and vision/meaning. With regard to Zappos, this philosophy means that the call center operators develop on their own accord: they choose their own training courses and their own pace at which they master new skills. Sales staff can break their 18 months of training into three small steps in moving up the career ladder and get a sense of continuous progress. The illustrious culture at Zappos ensures connectedness, and the company's vision is to have meaning.

**Josh Kaufman**  
**The First 20 Hours: How to Learn Anything... Fast!**  
 The Russian edition was published by Azbuka-Atticus, 2014.



Traditionally, it is believed that it takes 10, 000 hours to master a skill. Josh Kaufman's method allows one to achieve initial success and enjoy a new skill after just 20 hours. To illustrate his

methods, Kaufman chose six skills: playing the ukulele, surfing, typing blindly, yoga, computer programming, and the Chinese board game Go. He describes in detail his progress from zero ability to basic levels within 20 hours of hard training for 30 days. Kaufman gets his results independently, without signing up for courses. He first determines the level that he wants to achieve, which is enough to either derive some benefit or pleasure. Then he lays out the task in components that are integral in achieving an objective; and one must study these subtasks in-depth in order to develop appropriate exercises and to learn how to correct one's own mistakes. And finally, the last stage in solving any problem, which should not be forgotten, is persistent training.

**Marshall Goldsmith**  
**Mojo: How to Get It, How to Keep It, and How to Get It Back if You Lose It.**  
 The Russian edition was published by Alpina Publishers, 2012.



Marshall Goldsmith is so confident in his methods that he does not even charge a fee for his book if his customers are not achieving significant results. The book describes a system,

which he uses to help successful people change themselves for the better. Most importantly, one must develop a "mojo, positive spirit toward what we are doing now that starts from the inside and radiates to the outside." Mojo consists of four elements: identity, achievement, reputation, and acceptance. One of the most important tips is to not head down the path of self-improvement alone. Our self-diagnoses are not really all that accurate. People tend to exaggerate their own weaknesses, as well as over-estimate their strengths.

With consideration for the high pressure under which most modern managers work, and based on participants' feedback, we have adapted the format of our open programmes to intensive, two-day seminars with practical modules for mastering new techniques and analysing specific cases.

## Topics and faculty in 2014

**30-31 October 2014**

**Design Thinking for Strategic Innovation**

Idris Mootee,  
Business Consultant for Design Thinking and Innovation Development.  
Founder and owner, Idea Couture Inc

**24-25 November 2014**

**Balanced Scorecard: Translating Strategy into Action**

Mario Bognanno,  
Balanced Scorecard Consultant,  
The Palladium Group

**2-3 December 2014**

**Don't leave the money on the table. Strategic traps in negotiations.**

Moty Cristal,  
Professor for Negotiation Dynamics,  
Moscow School of Business SKOLKOVO

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