

SUMMER/2010

# GO INSIDE

SKOLKOVO

**PILOT ISSUE**

Comments, ideas, suggestions  
are most welcome



NEW PEOPLE, NEW IDEAS // LEARNING BY DOING // BUSINESS EDUCATION TRENDS  
EMERGING MARKETS // ENTREPRENEURSHIP // BUSINESS IN BRIC  
CONVERSATION IN ESSENCE // WHAT TO READ?

# An MBA with a difference



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Dear readers,

You are holding the first copy of the SKOLKOVO GO Inside magazine. But what is it about, who is it for, and what can readers draw from it? We have just one definite answer to these questions: this is a magazine for our friends.

Through this publication we intend to keep you informed about the action-packed life at SKOLKOVO, the meetings – including high-profile ones – that take place, our students and our unique projects. We look forward to discussing together an integral part of life for SKOLKOVO and for us: business and managing it.

In the first issue we have decided to focus on the trends and new approaches in a modern business, as well as the prospects for emerging markets and the specifics involved in working in them. There will also be chance to meet some of the SKOLKOVO students.

This is the first edition that we have written, so both the format and the content may well change. As making the magazine interesting for you is of vital importance to us, we are open to suggestions, requests and tasks. Please feel free to send your comments to our editorial team.

Enjoy!



// **GOINSIDE**  
■ SKOLKOVO ■

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MOSCOW, 24/2 TSVETNOY BUL  
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# NUMBERS & FACTS

On December 30

**SKOLKOVO COMPLETED ITS “COMPASS FOR NEW REALITY” PROGRAMME FOR MANAGERS**

On January 1

**MTS AND SKOLKOVO LAUNCHED THE JOINT INNOVATIVE EDUCATION PROJECT “MTS LEADERSHIP DNA”**

By 2025

**THE BRIC ECONOMIES ARE EXPECTED TO BE FOUR OF THE WORLD'S TOP SIX LARGEST ECONOMIES**

50 HR-Directors

**ATTENDED THE SKOLKOVO HR CLUB**

39 students

**FROM RUSSIA, AUSTRIA, INDIA AND UKRAINE STARTED EDUCATION IN EMBA PROGRAMME**

5 talented

**FINANCIAL EXPERTS BECAME WINNERS OF THE CONTEST “NEW PEOPLE, NEW IDEAS”**

100 public companies

**FROM RUSSIA AND CHINA WERE EXAMINED BY SIEMS IN ITS NEW RESEARCH ON EXECUTIVE LEADERSHIP STRUCTURE**

On December 1

**SKOLKOVO JOINED THE INTERNATIONAL CONSORTIUM UNICON**

Over 100 essays

**WERE SUBMITTED FOR THE CONTEST “NEW PEOPLE, NEW IDEAS”**

# SBERBANK CONTEST

Five winners of New People, New Ideas contest, organised by SKOLKOVO and Sberbank, shared their views on the future, and also on what they wish to learn at SKOLKOVO and how they plan to implement their ideas into real life



PRESS-CONFERENCE ON THE ANNOUNCEMENT OF THE CONTEST "NEW PEOPLE, NEW IDEAS"



**Denis Alexandrov**  
CFO,  
A1 Investment Company

I've been keeping an eye on the progress of the SKOLKOVO project. I think it's a useful and timely initiative. I thought about entering the school when I heard about the contest. I hope that the team of programme participants would become sort of a club, where we could discuss, criticize and further develop the initial idea.

The idea of my essay was based on the fact that the development of the country's economy requires investments, and not just capital investments, but also long-term debt. The concept is to create a mechanism that will allow banks to accept a project's risks and grant long-term loans, and at the same time allow companies to access financing for new projects. Plus it implies joint participation of the public and private capital in building this mechanism.

After graduation I would like to further my professional development and pursue a career with my company. I hope business school will allow me to take a wider approach to many things, and perhaps look at them from a different angle. Certainly, for me SKOLKOVO business school is mainly about people. We have a very good class of 38 students – they are all very different and yet interesting people. We have much in common. I hope to find new friends here and new business partners.



**Leonid Umirzakov**  
Deputy Director Dmitrov Grad Branch,  
Sberbank

For the past two years, we have seen a lot of changes in Sberbank, including the attitude of the clients and employees to our bank. Sberbank's team is motivated to achieve ambitious goals. Personal development of each employee is also of a vital importance. SKOLKOVO is a project that has incorporated our ambitions and desire for self-improvement, which is perfectly in line with the strategy of our bank and my aspiration to build a name for myself.

The fundamental idea of my essay is to precisely evaluate efficiency for the public finances. My proposal is to define objectives for certain sectors, and to develop a strategy for achieving these objectives on the federal, regional and local levels, while utilizing TQM principles.

There is no need to make a secret out of it – I have certain fears about starting my own business, but I wouldn't say that I am not capable of doing it. I am sure that SKOLKOVO, in addition to leadership skills, allows us to develop the qualities of a person capable of finding non-standard solutions in ordinary situations. It is not that important for me what to do, but rather how to act – if it is innovative, efficient and simply nice, then I will thank SKOLKOVO!



**Sergei Ludin**  
Deputy Head of Asset Management  
Department, Sberbank

I thought this was an interesting chance to build and describe my personal vision of the current situation of the country and its future, which really worries me, like any other normal citizen of the country. Another thing is that there is a competition element and quite a good prize of training at SKOLKOVO, the future of which is, I believe, bright;

My essay presents and describes a new system of evaluation and key indicators for state institutions that monitor the country's fiscal system.

This evaluation system is based on the analogy of corporate management using value drivers. For instance, management based on the national debt value is an equivalent to the capital value in company value management. I also included some illustrative ideas on the use of the country's resources, in particular,

## COMMENT

### Sergei Gorkov

Director of the HR-policy department, Sberbank

"Summing up NEW PEOPLE, NEW IDEAS contest, Sberbank of Russia is pleased to assert the fact that the contest has attracted many talented specialists from the financial sector who have offered their own and quite original vision of solving the topical issues in the banking and financial sectors. Now, the winners, the most promising and creative young people, have an opportunity to get an excellent education with the Executive MBA programme"

concerning substitution of foreign corporate debts therewith.

Similar to what I do now, with the only difference that SKOLKOVO has brought about a more conscious attitude from me. In the future I see myself as a manager of a large company or a medium business owner, or maybe both of them if I am lucky enough. I expect SKOLKOVO to help me open new doors into the development and expansion of activities, become more productive in the workplace and better contribute to the community.



**Marina Litvinova**

Deputy Director (Deposits and Accounts), Sberbank

The main driving force behind my participation in the New People, New Ideas contest was a great desire to change my life and open myself up to new horizons. Primarily, to bring more opportunities into my life to meet new people, solve

bigger problems and harness the potential of unused opportunities. My life strategy is to learn how to win in any situation and achieve the best in any situation. That is why participation in this contest gives me a competitive advantage.

The main idea of my essay is in synergy between the sector of state and financial services offered to the public (based on the international experience and the country's practical and sci-tech potential), which is meant to contribute to the innovative economic growth of Russia.

For this purpose, it is necessary to create a national payment system of welfare benefits in Russia by integration of information applications of state agencies (transport, social sphere, health care, housing and utilities, etc.) and bank applications, and implement a project for step-by-step introduction of a new unified multi-purpose product at the state level.

My expectations from SKOLKOVO are to get a quality education, which will allow me to immediately put this acquired knowledge into practice. Being a bank employee, I clearly understand how important international experience is today, and how important it is to speak the same language as the top management representatives from any country. The EMBA project is of interest to me, as it enables me to make my personal statement and voice out my life priorities, destroys all the boundaries and borders, develop my leadership skills to a maximum, and gives me an opportunity to become a part of the powerful energy and new ideas of SKOLKOVO.



**Mikhail Bratanov**

Head of Securities Department, Rosbank

I'm really interested in the opportunity to be trained in English by professors from the world's best business schools free of charge, and, what is more, to get this training in Moscow, which is my home city. The key ideas of my project are

based on the system macroeconomic approach. At first, there should be an adequate structure of the state budget.

We should not aim for the net surplus with the cheap deficit in terms of the resource cost, and make the most of own funds for financing our own economy. Then we need to make strategic investments into the infrastructure (roads, health care, etc.) – all the things that form a macroeconomic basis for the development of real economy; along with all of this, it is absolutely necessary to do some serious political housecleaning.

Then it comes down to the development of all the rest, i.e. taxation system, financial market, science, education, etc. In my essay I defined the fundamentals of the stage planning approach. After completing the SKOLKOVO programme, I hope to see myself in the position of a manager or entrepreneur with improved skills. I believe that I will progress in the fields that are interesting to me, as I cannot stand routine and boredom. I would like to enjoy the job I do.

Another thing I strive for is independence – perhaps, the school will help me get more freedom in many aspects of my life. I would like SKOLKOVO to help me grow and improve my perspective. Professional knowledge applicable to business, international experience, environment, exchange of opinions, creative approach, and a possibility to get a wider or more straightforward view on many things – that is what I hope to get from SKOLKOVO.

## COMMENT

**Wilfried Vanhonacker**

Dean, SKOLKOVO

"It was not easy for us to choose the winners, considering the fact that originally over 100 essays were submitted for the contest. However, the results of the programme exams allowed us to select five top participants who, beyond writing convincing essays, successfully met all the examination challenges. No doubts I will be very pleased to meet the winners in person, now the actual students of SKOLKOVO EMBA, who are facing plenty of new opportunities"





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ВЛАДЕЕТЕ АНГЛИЙСКИМ ЯЗЫКОМ?

ВЫ ГОТОВЫ К ПЕРЕМЕНАМ  
И СПОСОБНЫ УВИДЕТЬ БУДУЩЕЕ?

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# PUBLIC PROJECTS

Students of the SKOLKOVO full-time MBA programme speak about the skills and knowledge they are gaining while working on the projects in public and social sectors.

## Alexey Germanovich

Public Projects Director, SKOLKOVO

We are building a truly pilot technology of a new educational model here in Russia. We want our students to get to the most relevant topics they will have to deal with in the business–state–society triangle. At the same time, we would like to show them how the public and social sectors work; for this reason, we have several projects aimed to solve the most pressing tasks that Russian economy faces now. Students get an opportunity to look at how this sector operates from the perspective of ministries, authorities, social and cultural institutions, etc.

We want our students to learn how to use market mechanisms in this sector. Therefore, one of the team's training tasks is to demonstrate how they apply economic modelling methods while working at these projects.



**Perm Territory** / Regional and spatial development project by the example of a large region.

**Cherepovets** / Regional and spatial development project by the example of a large municipality.

**Svetly** / Regional and spatial development project by the example of a large municipality.

**Lobbying** / Alignment of business projects in condition of government control, interaction based on Federal Law No. 94

“On Placement of State and Municipal Orders”.

**Museum Management** / Development of the Tretyakov Gallery on Krymsky Val; construction of Cirque du Soleil in Moscow.

**Sheremetyevo** / Public private partnership by the example of the airport operation.

**School No. 261** / Public private partnership by the example of the secondary school operation.

**Kaliningrad** / Construction of an exhibition complex.



# // Museum management

Upon request of the Tretyakov Gallery General Director, a team of SKOLKOVO students is assisting in attracting visitors and developing a business plan for a specialised fund to promote the 20th century collection of Russian Art.

it is unlikely that among the readers of GO Inside SKOLKOVO there are people who have never heard of Black Square by Malevich. Are there many people who could boast of seeing it or who know know where exactly it is displayed?

Yet, the best works by Malevich, Shagal, Kandinsky and many other world famous Russian artists of the 20th century can be found in our Tretyakov Gallery. Not in the one located in Lavrushinsky Lane, where the paintings by Shishkin and Vasnetsov familiar from school textbooks are exhibited, but in a separate building in Krymsky Val, better known as the Central House of Artists. Compared to the queues in Lavrushinsky Lane, This is unlikely that you will see more than 20 or 30 visitors there on weekdays. Yet, it is in this place where a unique collection of paintings by famous artists is displayed.

The task to help the gallery in Krymsky Val to attract visitors has been set by the new General Director of the Tretyakov Gallery for the team of five SKOLKOVO students. Irina Lebedeva, who had worked in the Gallery in Krymsky Val for 20 years, was appointed as the Gallery Director half a year ago.

within THREE months our team has to provide recommendations which would help the Director solve the task. This will not only be beneficial to the Tretyakov Gallery, but at the same time will give us a chance to learn how to work effectively with the government institutions in Russia. 🍏



**Anton Saraykin**  
Member of  
Museum  
Management  
Team





## // Planescome first

SKOLKOVO team helps to provide innovative and world class solutions, which will be applied to revitalize the airport for the 21st century.

The Ministry of Transport is seeking to create a new and improved Sheremetyevo airport meant to be an international hub and a gateway to Moscow. At present Sheremetyevo has an antiquated infrastructure and an inefficient model of airport operations.

The Russian government has announced plans to spend billions of dollars over the next 10 years on improving infrastructure. There is an imminent need to replace, modernize and expand the aging infrastructure, that to a large extent lingers as remnants of the Soviet era.

Sheremetyevo, one of the leading Russian AIRPORTS with approx 16 million passengers, is a vital strategic asset. The future of its development is critical to both, the state and the people of Russia. the governments hopes for airport development in THE COUNTRY.

Six SKOLKOVO MBA students have been working in conjunction with the Ministry for three months in order to create innovative and world class solutions that will be applied to revitalize the airport for the 21st century. 🍏



**Denis Golubovsky**  
Team Leader  
Sheremetyevo Airport





SKOLKOVO TEAM LEARN TO MANAGE REAL AIRPORT





## // Improving the law

SKOLKOVO team initiates the campaign to lobby the changes in the law as related to the companies providing professional services to the government.

Our public sector project is connected with the most important yet most controversial law of Russia—Federal Law No. 94 “On Placement of Orders to Supply Goods, Carry out Work, Render Services for Meeting State and Municipal Needs” (Law “On Public Procurement”).

The aim of the project is to initiate a campaign to lobby the changes in the Law “On Public Procurement” as related to the companies providing professional services to the government (e.g. PR, advertising, auditing, legal advice, etc.) The role of a public order for private businesses has become all the more significant in the last two years.

Regulation of this sector does not meet the requirements of both parties to the public contract: neither the public customer—as in many cases it does not allow it to receive high quality services, nor the contractor—as the existing trading procedure involves non-professionalism of the public agencies carrying out trading and absence of any procedure to appeal against the results of trading in their essence, bureaucracy and corruption.

We hope that in the course of this project it would be possible to formulate a common position shared by both the government and business with regard to the improvement of the public order sector regulation, and such position could be a basis for lobbying the legislative changes to favour more effective functioning of this market. 🍎



**Alexandra dronova**  
Team Leader of the Project on  
Changes to the Law “On Public  
Procurement”







# PAVLOVSKY'S PRODUCT

Studies at SKOLKOVO have helped Sergei Pavlovsky, one of the winners of the SKOLKOVO Challenge, to better understand his own business and develop the required skills. Currently, Sergei is thinking of introducing his product into the global market.

SERGEI PAVLOVSKY, SKOLKOVO MBA STUDENT

Applying for a contest of business projects last year, with SKOLKOVO full-time training programme as a main prize, 28-year old Sergei Pavlovsky knew exactly what he wanted from the business school.

"The courses on marketing, negotiating and leadership are just the thing," says Sergei.

Sergei was good at writing business plans well before admission to SKOLKOVO: he began to work in the area of corporate finance when he studied at the High School of Economics. Sergei also had a very rare experience for Russia – promotion of innovations. Working as a finance director of Visker company, a producer of probes for nanomicroscopes, he managed to find an investor for the project. "I was just a member of the team, not the driving force. So about a year ago I began to think of doing something myself," says Sergei Pavlovsky.

From his friends Sergei learned about an innovative product of the Cell and Tissue Growth Laboratory of the Institute of Theoretic and Experimental Biophysics at the Russian Academy of Sciences. That was the product for fast healing of wounds and burns. It was clear that, when slightly changed and packaged in a different way, this product might turn out to be a very successful business project targeted at both medical and cosmetics markets.

After presenting this project at the contest, Sergei became the winner and got an opportunity to study at SKOLKOVO.



SERGEI HAS A DEEPER UNDERSTANDING  
OF HIS OWN BUSINESS MODEL – HOW THE  
FINAL PRICE DISTRIBUTED AMONG THE  
PRODUCER, DISTRIBUTORS, SALONS, ETC.

**AMERICAN PROFESSOR** / In autumn, the product (Re3derm gel) and its production were certified; first sales were achieved. According to Sergei, he got an opportunity to put the theory he learned at school directly into practice. For instance, many cases analyzed by students referred to the medical market. They clearly showed that entering this market was a long and costly process. Sergei Pavlovsky adjusted the strategy of his company's development – today they are focused on the promotion of the gel to the cosmetics market. Customers are no longer their target audience (in this sector it is difficult to compete with marketing budgets of such cosmetic giants as L'Oreal); now they target professional beauty experts and beauty salons.

With the help of SKOLKOVO, Sergei learned a lot about how to work with this category of customers in the most efficient way. In autumn, Professor David Rabstein, who consulted such companies as Estee Lauder, read lectures on marketing. "Our professors are open for discussions and easy to access if you need their advice," says Sergei. He was lucky to talk to David several times, and Professor Rabstein told Sergei a lot about the industry from the point of view of large companies.

"It is one thing when you get feedback from your employees and clients and see the current situation, and another thing to get an overall view of the industry," notes Sergei.

For example, the American Professor suggested that beauty experts are not rivals; on the contrary, they are interested in the exchange of knowledge, so there is no need to be afraid of bringing them together. Sergei's company began to hold workshops for beauty experts to provide a better understanding of the gel ingredients, its action mechanism and possible applications through the presentation of facial peels and masks.

While studying, Sergei came up with the idea of developing a separate product for summer to extend its appli-

cation period, as facial peels and anti-aging procedures are generally prescribed for the period from September to April. At present, the company specialists are working on an after sun regenerating gel.

**GLOBAL MARKET** / Participation in the SKOLKOVO programme brought a lot of new contacts to Sergei. For instance, David's suggestion to help him develop of international sales if the Russian project proves to be successful. Communication with course-mates may also be quite beneficial – students have their own mailing lists. All of them have a different background, and quite often it is possible to get a qualified opinion or contact details of people from an unfamiliar business sector. "When a project is at an early stage and there are not many resources to be used, everything is being done through the people you know," says Sergei.

According to him, the theory he learned during lectures helps him organize the data he has obtained from customers, partners and employees, "It is easier to interpret reality with this knowledge." For example, at the lectures on price formation Sergei has got a deeper understanding of his own business model. And after taking the course on the art of negotiations Sergei began to better assess the company's strong and weak points. One thing is when you offer your distributors to promote an advanced project of an unknown company, and another thing is to offer an innovative product that is well-known among beauty experts. Despite the fact that the company's marketing budget is not big, Sergei's company takes part in cosmetic trade fairs, which is important for the Re3derm brand.

In Moscow, this brand is represented in dozens of salons; at the moment the company is entering the St. Petersburg market. "We have the brand platform and a database of customers who already know about our products. The current sales level allows us to maintain the project at the breakeven level," says Sergei. At the same time, we are

conducting medical research for the purpose of future development. It has also been decided that the company's further development will require investors. All the more, SKOLKOVO has its own venture fund.

Sergei says that his colleagues sometimes come to him complaining that because of the training he pays less attention to the business. "However, next year we will have plenty of time for working on our projects, and I will make every possible effort during that time," says the entrepreneur with a smile on his face. 🍊



## COMMENT

### Dmitry Repin

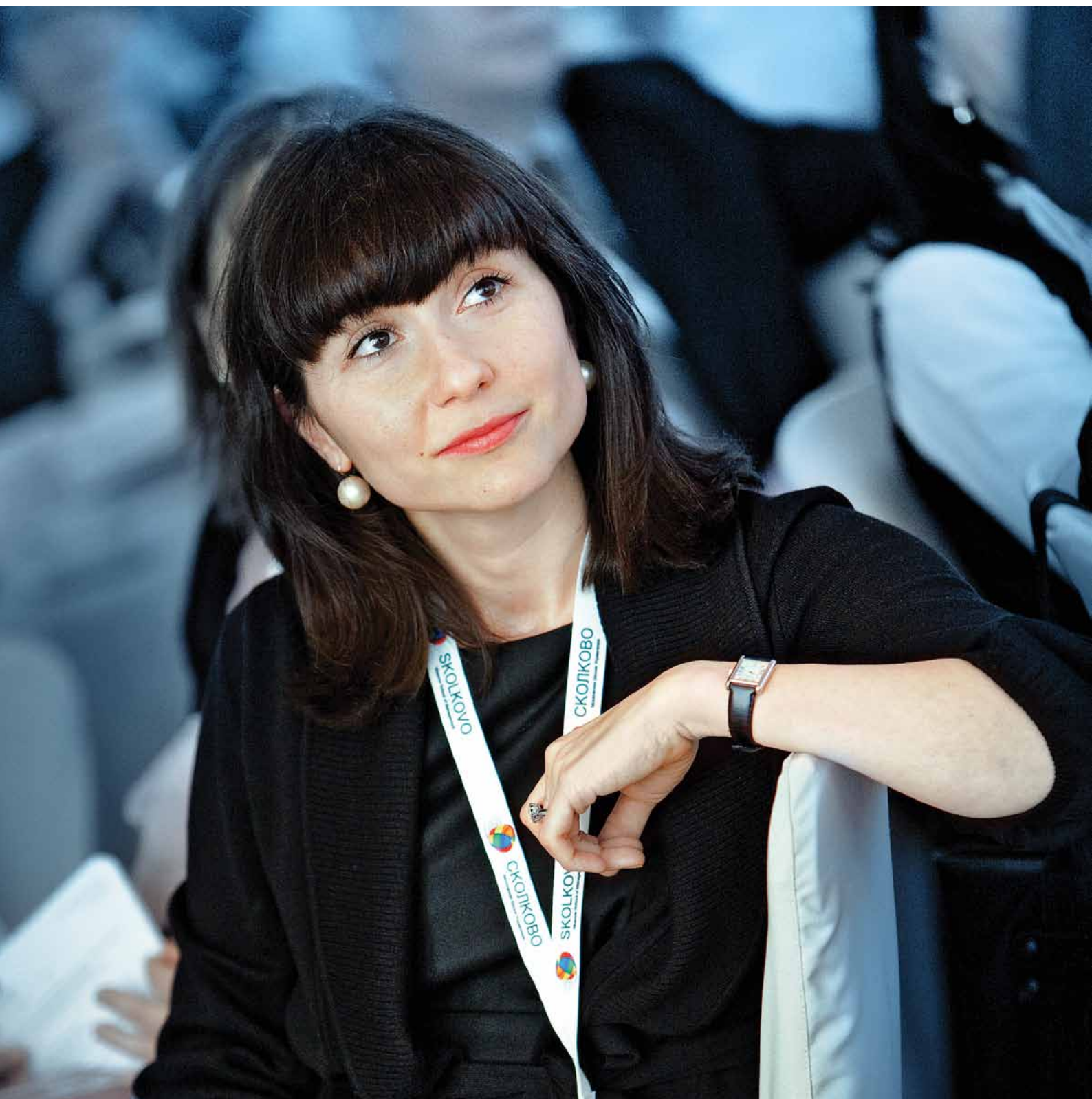
Start-up projects Director,  
SKOLKOVO

Students of SKOLKOVO's full-time MBA programme must devise and defend their own start-up business projects as part of the course. For many graduates, developing and launching a start-up enterprise after finishing school will be the most natural way to proceed with their career. The educational process at SKOLKOVO is oriented on nurturing business leaders who are prepared to steer their own companies in the future. The project's defining feature is its focus on developing unique leadership and communicative skills and on the graduates' ability to start their own businesses. The last phase of the programme is a start-up project, where students bring their ideas to life.



# THE FUTURE OF BUSINESS EDUCATION

EVGENIA OVASAPYAN, EXECUTIVE EDUCATION PROGRAMMES DIRECTOR SKOLKOVO



Most leading business schools find themselves in a state of panic: in the last half a year the attendance of open programmes has fallen first 30%, and then even 50%. Not only have corporations stopped sending their employees to training courses, but the employees themselves are afraid to leave their work places for long. The academic approach in business education, which has been successfully applied for many years, does not work any longer. And SKOLKOVO is ready to offer an absolutely new approach to education.

## SCHOOLS IN A STATE OF PANIC: IN THE LAST HALF A YEAR THE ATTENDANCE HAS FALLEN BY 50%

Traditionally business education was focused on the development of particular professional skills in employees. It was supposed that in the future those people would bring the company to a fulfilment of the set tasks. "Unification" was a key word; the employees were introduced to a general understanding of the system, performance evaluation, human resources management, etc. In every big corporation there existed a talent development and management system; a series of corporate universities were opened. Such a scheme worked perfectly in the stable and growing market of the time. Companies could plan their activities for years to come; personnel departments had clear understanding of how many and which specialists would be required in the future.

Universities, in turn, developed education programmes based on the market development forecast. Professors specialized in their own particular fields. At present it has turned out that the future cannot be so easily forecast. It is not known what objectives the company will pursue in a year, whether the same people will work for it, and what it will be like then.

The crisis has accelerated and intensified the gap between demand and supply. The new generation is very mobile; they often change jobs and places of residence, therefore the expenses spent on the individual development of each employee are frequently not paid off – it becomes cheaper to hire an employee from the market than to train one.

**THE NEW APPROACH /** Today business schools all over the world are trying to find a way out of this situation. They find themselves in a difficult position: exceptionally talented professors and time-tested programmes were their main resource. But it turns out that nobody needs a "famous name" – demand for well-known lecturers has fallen to the lowest level. I happened to be present at two major summits on business education, in Warton in February and at University of Washington in April. Both meetings attracted leading schools, all of which face the same problem: companies are no longer prepared to pay for the development of individual skills. They expect something radically different from development programmes. The lecturers, together with employees and experts, ought to solve today's current problems which corporations face.

What is a company CEO to do if he wants to choose an education programme for the employees? The most important thing is to answer an easy question: "Do you simply want them to fulfil what is required, understand what they are doing, or do you want them to change the system?" We observe how the approach to education is transforming from the development of an employee (with the emphasis on the personality growth) to the development of a company and refinement of the system. Today SKOLKOVO is ready to help corporations meet the needs of present-day reality, suggesting fresh ideas and new tools for meeting required results. 🍎

### ABOUT

**Evgenia Ovasapyan**  
Executive Education Programmes  
Director SKOLKOVO

Evgenia Ovasapyan started her work at SKOLKOVO in 2006. She leads the Executive Education Department.

In 2006 Evgenia successfully launched the first SKOLKOVO education programme – Executive Education. Right from the beginning these programmes were highly welcomed by Russian business community. Over 2000 top managers from a diverse range of businesses participated in SKOLKOVO Education programmes, and a demand is constantly growing.

### FACT

This year Evraz announced an absolutely new approach to education. At the height of the crisis Evraz leadership took a decision to hold a non-standard programme involving 56 key managers. The objective – development of eight projects critical for the Company and preparation for their implementation.



# NEW SKOLKOVO APPROACH

Business in Russia is still very young; it appeared no more than 20 years ago. In recent years, business in Russia has been undergoing a profound transformation. And only in the last five years major corporations have begun to think seriously about the issues of efficiency and how to successfully compete on the international market. The crisis has further intensified these problems. Today the leading companies are thinking about a strategy for the global market over the next 10 – 15 years.

We are talking about a new stage in the development of domestic business. And the challenge is to communicate strategic objectives from the top management of the company to a core group of managers (50 – 200 employees).

**TRANSLATING THE STRATEGY /** Strategy is not only the direction in which the company will develop, but also what the company will not do. The majority of Russian companies still do not understand this. They undertake anything that they think will bring margin 40% plus. Large corporations cannot behave this way, and they need to effectively translate their strategy to a large group of people.

But this is not so simple. The problem is that not everyone can equally understand the language of business. Many believe that it is necessary to go and study in a business school. But this is only the first step; what is far more important is to learn the language practically. That is, to implement a set of strategic objectives or projects.

**INTEGRATED PROGRAMMES /** SKOLKOVO helps corporations formulate their strategic agenda, highlighting priorities, key projects and directions. We jointly choose a group of key managers (50 – 100), who will be considered in the future as potential vice-presidents. The next stage is connection of the strategic agenda and people. As part of our educational programmes, the participants develop real projects, which will be presented to the executives of the company. Thus, the executives participate and act as “teachers”.

Leading industry experts and world-class professors, who practice modern concepts in business education, assist in the development of the projects. We invite business decision makers from other corporations to share their experiences and best practice. The whole education programme is focused on the specific needs of the company in order to solve the main task – to identify and develop a key of strategic projects.

We call such programmes “integrated”. This is a world-class product with a unique design. We are moving in step with modern trends in educational programmes – to be as close to reality as possible.

Now this approach is being implemented in SKOLKOVO together with the leaders of Russia’s corporate sector: MTS, TNK-BP, EVRAZ, UAC. These are well known companies and leaders in their industry. They see themselves on the world market and are very concerned about their future.

**INDUSTRY PROGRAMMES /** New executive programme for the Russian oil and gas industry “Leading Major Energy Projects in Russia”, created jointly by SKOLKOVO and MIT Sloan School of Management, on the initiative and with the support of BP. The programme was designed to enhance the project leadership skills of executives that are essential to deliver large, complex and capital-intensive investments in the oil and gas industry in a commercially volatile world.

The participants were executives and project managers of Russian and CIS companies engaged in strategic oil and gas projects.

The programme was aimed at developing leadership expertise in project management, sharing best practices, and promoting a dialogue on the efficient development of Russia’s energy future. The programme on the one hand is very practical and projects-oriented, and on the other hand, reaches important objective opening constructive dialogue between the business and state. 🍎

## ABOUT

**Andrei Volkov**  
SKOLKOVO Dean

Andrei Volkov is one of the leading experts in the sphere of higher education in Russia. While working as an Advisor to the Minister of Education and Science of the Russian Federation, he led the team of experts that prepared the programme for developing Russia’s higher education system and led a group of experts from the G8 countries on Russia’s initiatives in education.



THE MAJORITY  
OF RUSSIAN COMPANIES  
STILL DO NOT UNDERSTAND THIS.  
THEY UNDERTAKE ANYTHING  
THAT THEY THINK WILL BRING  
40% MARGIN

ANDREI VOLKOV, SKOLKOVO DEAN

## EVOLUTION

### 1995–2000

The main requests from international companies, as a rule, concerned performance. There was a necessity to introduce the system of performance evaluation, setting the tasks, motivation, etc. Companies such as Coca Cola, BAT, Danon, Philip Morris pioneered and spearheaded this movement. Even today it is possible to recognise workers brought up within Philip Morris and Coca Cola cultures by their first presentation

### 2000–2007

In 2000-2007, it was crucial for the managers to understand why they acted in this or that manner. That was the period of corporate code, orientation programmes and corporate universities. A leader was a teacher and bearer of the Company's culture

### 2008–2009

New tasks for key leaders: to change the system, to be distracted from current tasks, see wider, and understand trends. To build up a programme which will help a leader not only understand the system and the position of their company in it, but to answer the main challenges



# CHINESE ARE BORN BUSINESSMEN

WILFRIED VANHONACKER, SKOLKOVO DEAN SPEAKS TO STUDENTS



Wilfried Vanhonacker, Dean of the Moscow School of Management SKOLKOVO, speaks about the difference between Chinese and Russian businessmen.



#### **GO INSIDE: HOW DID YOU END UP IN CHINA?**

**Wilfried Vanhonacker:** I was in the wrong place at the wrong time; or today it might look more like I was at the right place at the right time. It was the fall of 1984. I was sitting in my office in New York when my senior colleague came to me and asked if I would like to go to China. At the time the Chinese government was organizing the first MBA program and they had contacted my faculty at the Columbia University.

What happens with most people when they go to China is they either love it or they hate it. That's because it's so different. I liked the people, the culture and when I came back I studied the language and started reading in Chinese. They liked me too and invited me back every year, so I moved to China.

#### **HOW MUCH HAS CHINA CHANGED FOR THE PAST 20 YEARS?**

**WV:** There have been phenomenal changes. I arrived in Beijing on Christmas Eve, a memory I will never forget. People told me to bring coffee and light bulbs with me because the strongest light bulbs they had there were 20 Watt, so if you are working at night it's too dark. I boarded in New York and I was the only non-Chinese passenger. Everybody was looking at me as if something was wrong. I arrived in Beijing and the airport was one building, not that different from Moscow's Sheremetyevo now, but very dark. I had never seen so many people, all of them were dressed in the Mao-style colors: black, dark blue, dark khaki-military and they all have dark hair. There were few cars, lots of bicycles and the infrastructure was underdeveloped. People looked at foreigners like gods.

Today Chinese people are a little bit arrogant and I would say they have the right to be a bit proud. But for the past two decades, despite the country's phenomenal development they are still very Chinese in



terms of culture and character. 20 years in the history of China is nothing; it's a blink of an eye.

#### **WHAT DO RUSSIA AND CHINA HAVE IN COMMON? WHAT'S DIFFERENT?**

**WV:** One thing I learnt, for instance, is that China is huge, it's a continent. People all look Chinese, but the mentality changes from region to region. People go to Beijing, stay at a five-star hotel, go to the Great Wall on a bus, come back, eat Peking duck and then go home and think they know the country. But they didn't see China because if you go a hundred kilometers out of Beijing it's a totally different world. Russia is the same.

But there are a couple of differences and first of all, culturally Russians are totally the opposite. Russian people are very direct. In China you cannot be direct because you will make people lose face. You cannot criticize in Chinese. They have a contextual language, they never write what they say – you have to interpret it. When you read Chinese it means reading in between the lines. So I had a hard time adjusting. Now, I'm an egg, which is white on the outside and yellow on the inside.

The other big difference is the mentality, and I will explain it in a bit of a cynical way. In China, the hardware is way ahead of the software. If you will go to Beijing you will see the most fantastic buildings, unbelievable architecture and so on. But in many ways China is still an agricultural society with peasant mentality. In Russia the software is way ahead, Russians are much more mature, worldly, sophisticated. But the hardware... Russian airports, for example, can't be compared to Chinese. This is another shocking difference.

Also Chinese are born business people, entrepreneurs, it's in their DNA. Russians are more philosophers. China is very curious about Russia, but does not understand Russia and Russians, and, for Russians it's exactly the same.

#### **HOW DOES IT FEEL TO DO BUSINESS WITH CHINESE ENTREPRENEURS?**

**WV:** I dare say that relations with Chinese businessmen are like an iceberg—you only

#### **ABOUT**

**Wilfried Vanhonacker**  
Dean of the Moscow School of  
Management SKOLKOVO

Dr. Wilfried Vanhonacker is a renowned scholar in the field of marketing science and a recognized expert on China and emerging market issues. Dr. Vanhonacker has taken a leading position in various schools, currently as the Dean of SKOLKOVO, the leading business school in Moscow and the only one in the world today with a focus on entrepreneurial leadership and entrepreneurship in emerging markets.

Dr. Vanhonacker played a key role in establishing and developing the China Europe International Business School (CEIBS) in China where performed as Dean and Vice President from 2001 to 2002. At CEIBS, he created and managed the first EMBA program in China. Being in China since 1985, Dr. Vanhonacker has done extensive research and business consulting. Dr. Vanhonacker is the author of numerous academic publications and books. The well known ones are *The China Casebook* (McGraw – Hill 2004), and his classic 1997 Harvard Business Review article on China entry strategies was reprinted in the best-selling book "Harvard Business Review on Doing Business in China (HBS)"



see a portion of it. Do not take account of everything you see. When in China, avoid interpreting events or evaluating whatever meets the eye. For instance, in Russia it is very easy to tell who the boss and decision-maker is. This is not the case in China because they do business in roundabout ways. A professional team of negotiators shows up for tough negotiations, while the decision-maker steers clear of the meeting in order to save his face in case of a conflict.

The Chinese are natural-born businessmen with a clearly defined entrepreneurial flair. This is part of their DNA. By contrast, the Russians are big-time philosophers. The Chinese do business because their culture dictates that they must work and succeed. While Russian businessmen usually have a very short-term and opportunistic agenda, the Chinese, on the contrary, are genuine forward-looking strategists. The Chinese, much like other nations, want to make money. Yet, their vision of the horizon is different. Besides, they are very hard-working. From their perspective, the Russians are lazy and do hardly any work. The Chinese always have the motivation to move forward and excel.

As for the main problem in relations between Russian and Chinese businessmen, it is the fact that the Russian culture is the exact opposite of the Chinese culture. The Chinese have a keen interest in Russia, but are mystified by Russia and the Russians. The same is true for the Russians. The Russians and the Chinese show a certain asymmetry in mutual understanding, which gives rise to complications in business. The Russians find it hard to understand the Chinese and vice versa. Moreover, historically the two nations have come to mistrust each other to a different degree. If a Chinese businessman has started to trust you, congratulations are in order. A Chinese friend is the best friend, as he will do anything for you. Of course, this does not happen often.

For example, whereas in Russia there is a dividing line between work and personal life, for the Chinese all aspects of life form a single whole.

Moreover, the Chinese culture is very subtle, while the Russian is a rough, 'macho' culture. If you display your emotions in a

## CHINA IS VERY CURIOUS ABOUT RUSSIA, BUT DOES NOT UNDERSTAND RUSSIA AND RUSSIANS, AND, FOR RUSSIANS IT'S EXACTLY THE SAME

flamboyant manner, you will not be able to work with the Chinese, as this shows your lack of self-control. If you ask a Russian man and a Chinese man to sit on a chair motionless, the Russian man will hardly stay put for an hour, while the Chinese man will sit for a week without moving a muscle.

### WHAT KIND OF RULES DO YOU HAVE TO OBEY IN CHINA?

**WV:** A lot of it has to do with the concept of face, which is very important to the Chinese. You have to give them respect, but not too much, because they can use it against you. You have to respect social status and understand the hierarchy. Relationships is the most important thing in the Chinese culture. That's because business is a transaction and this is always secondary. It is very important to maintain the relationship because once you lose it, it's very difficult to rebuild it. If you make a Chinese person lose face, they will never forget it. So you have to be very careful, it's a very sensitive culture. It's important that you show you understand the rules.

Chinese will be very nice because they are the best hosts in the world, but that is a face thing. They are very distrustful and what's important before a business deal is that you give them an opportunity and create an environment so that they can learn to trust you.

In this context personal relationships are very important in both countries. But in China relationships go in all directions – horizontal, vertical. In Russia it's all vertical and everybody is building personal relationships directly. In Chinese culture your identity depends on who you are related to and it's not necessarily vertical. Often a person below can have more power than someone at the top.



WILFRIED VANHONACKER, SKOLKOVO DEAN SPEAKS TO STUDENTS

## CHINESE ARE BORN BUSINESS PEOPLE, ENTREPRENEURS, IT'S IN THEIR DNA. RUSSIANS ARE MORE PHILOSOPHERS

In the middle ages in China there were already millions and millions of people and they lived very closely. The Confucian principles all come from practical rules to control behavior, given there were so many people. The whole culture is scripted: how children deal with their parents, student with professor, brother with sister. This is all controlled, they all play a role. If you want to understand and work with the Chinese, understand their behavior, you have to understand the rules. Once you figure out what goes on and you know the rules, they are very predictable. So people sometimes think that the Chinese are shrewd just because they don't understand, it's very confusing. .

### HOW DO YOU ESTABLISH RELATIONSHIPS WITH THE CHINESE?

**WV:** Spending time with people. In China, time comes in circles – they don't have the same periods as elsewhere. I think Russians have been influenced too much by the Western culture. When you go to China and say: "I've got a week in Beijing, I'm going to negotiate three contracts. On Saturday I get the last flight out," this can't be done. The first thing the Chinese know before you show up is which flight you leave on. They are the best negotiators in the world, the concept of time there is something totally different.

When you grow up in a culture where everything is scripted and regulated, if you want to get anything you have to negotiate it outside of the system, you have no rights, you only have obligations. They negotiate all the time and when you teach there to students they immediately negotiate grades. You can say that is terrible, but that's the way it is. You are not going to change them.

You just have to spend time with them, show respect, by learning a bit of their language.

That's another thing I should mention – Chinese, is a lot easier than Russian. The problem with Chinese is that it's difficult to remember it all, it's characters, but there is no grammar like in Russia where everything is an exception. In that sense, you can't be tone-deaf, because it's a tonal language, but the rest is memory. But if you just pick up a few things, you already show respect to their culture, and they are really very sensitive to that.

Chinese society is very holistic. If you go to China, you should show your family, your children, particularly when you have more than one. They like that, they get jealous and they like it when they are blond, with blue eyes. Chinese are very open, they are very appreciative of very simple things. And themselves they are very simple people, Russians don't feel that simple to me sometimes.

#### **WHAT SORT OF THINGS YOU SHOULD AVOID WHILE DOING BUSINESS WITH CHINA?**

**WV:** You cannot be emotional, which is very difficult for Russians. Chinese have no respect for people who cannot control their emotions, who are showing anger, displeasure.

To be honest, you are never going to become Chinese. You should also play on what your culture is but understand that you have to be careful.

You have to be flexible, it's very important. You must have principles. Chinese don't respect anybody without principles, but you have to have some leeway to adjust. What they say in China, it's a famous saying, "Be like bamboo". Bamboo is very strong, all the construction is done with bamboo in China, but it gracefully bends in the wind.

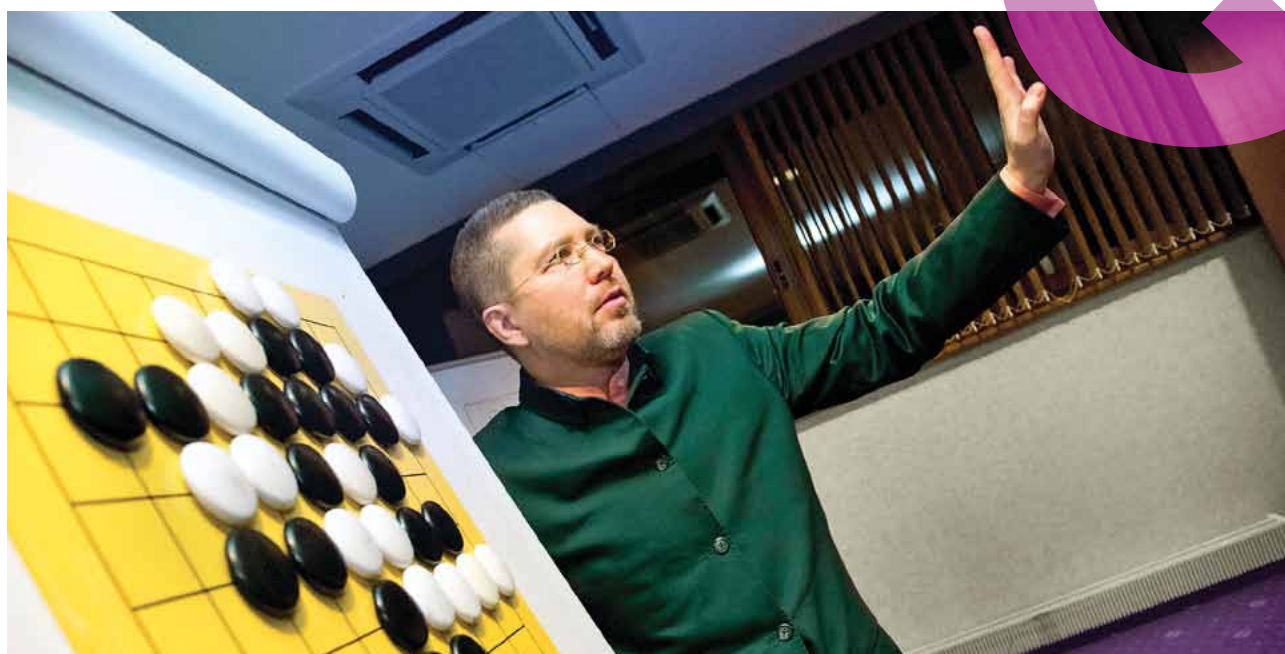
You can talk about a lot of things, but don't criticize the history, don't make ridiculous, naive comments. Better to avoid such a topics as Taiwan which is a very sensitive issue. For Chinese people territorial sovereignty is equally important as human rights to Americans. Don't do a presentation with a Chinese map that you get on Google, because Taiwan is shown in a different color than the mainland. This is very insulting for the Chinese, because for them Taiwan is a province of China. They are very sensitive to how they are perceived in the world and you could see that with the Olympics. There was a big discussion about pollution and China would even have painted the sky blue if they had to because there's this pride. 🍏





# PLAYING WEI QI

Within the framework of the induction course to Chinese culture and language, students met up in Wei Qi game.



Before departing to China where the students of the first SKOLKOVO Executive MBA class had deeply soaked into the local business environment and make a range of meetings with the heads of the largest Chinese international companies. The students experienced the induction to the Chinese culture and language. Wilfried Vanhonacker and professor Teng Ming delivered a course on China context which included the introduction to Chinese language and business realities.

In addition to this course, students also played in Wei Qi – one of the oldest strategic board games in human history. The game was presented by the President of GO Federation of Russia - Igor Grishin. Besides, Wilfried Vanhonacker, SKOLKOVO Dean, has organized Gala dinner in Chinese style.

At the end of the module students have kindly agreed to share their impressions of SKOLKOVO education process.



**Armen Vardanyan**

My intension was to study in the first Russian economic school, and it was a fantastic start from the very beginning. And nowadays we feel that we can see the light at the end of the tunnel



**Mikhail Kokorich**

Basically, I was one of the last students who joined this Executive MBA programme. For me it was one of the best decisions I have made, not only in terms of gaining knowledge, but also the process of socialization in a new business environment



GO originated in ancient China more than 2500 years ago. It's the world's most popular board game.



The game with simple rules but really difficult strategy. There are more possible moves and positions than in checkers, chess or reversi.

XXXXXXXXXX



**Ekaterina Akhanova**

For me SKOLKOVO is really interesting and this is the reason I'm here. The programme provides a structure for learning and the management of the programme gives personal attention to students



**Ilya Supriadkin**

I do have a prior business education that I got in the USA, but SKOLKOVO has a special atmosphere of communication between students and that's, probably, is most valuable to me



**Alexandra Milovantseva**

What I have here is not just what I expected, I found much more, such as soul mates with the same goals and who are also looking for something more important than the day-to-day routine. Here I have time to talk about life with the people who share the same values as me



**Vartan Dilanyan**

My general observations are quite positive and I think it is a big achievement for Russia to have a business education school like SKOLKOVO. Basically, the professors are top notch. The group itself and the environment we study in are very positive as well



**Svetlana Hoersch**

I expected to get a high-level business education, good networking and new ideas for business and life. And I got it all in SKOLKOVO. And moreover I feel like I started to understand myself better



THE WORLD STARTS TO DEPEND  
ON EMERGING MARKETS IN NEXT 5-10 YEARS

SAM PARK, PRESIDENT OF SIEMS

## ABOUT

### **Seung Ho "Sam" Park**

Chair Professor of Strategy, President of SKOLKOVO Institute for Emerging Market Studies (SIEMS)

Dr. Sam Park is President of the SKOLKOVO Institute for Emerging Market Studies and Chair Professor of Strategy at the Moscow School of Management SKOLKOVO. Until recently, he was the Founding President of the Samsung Economic Research Institute, China (2004-2008). He was also the British American Tobacco Chair Professor, member of the Academic Council and Director of the Centre for Emerging Market Strategy at the China Europe International Business School (2001-2008). Prior to his move to China, he was Professor of Strategy at Rutgers, the State University of New Jersey (1992-2004). He also taught and served on the faculty at the University of Texas-Dallas, Hong Kong University of Science and Technology and Hong Kong City University. At Rutgers he received several teaching and research awards and had promotions to associate and full professor ranks.

# PLUGGING KNOW-HOW DEFICIT ON EMERGING MARKETS

**DEFICIT OF KNOW-HOW** / Emerging market nations are primed for a beefed-up role in global affairs as established economies struggle to accelerate out of the planet's most vicious financial crisis in decades, according to Sam Park, President of SKOLKOVO's Institute for Emerging Market Studies or SIEMS.

"Emerging markets will undoubtedly become more significant in terms of geopolitics. The question is: Do we know enough about them and their political dynamics, social shifts and business trends?" said Sam Park. "There's a deficit of know-how on these markets around the world."

SIEMS is aiming to help plug that gap by researching the major BRIC economies of Brazil, Russia, India and China, and applying that knowledge to smaller developing markets. SKOLKOVO School of Management already offers the first MBA honed to emerging markets in an attempt to prepare its students for tomorrow's global business realities.

"We believe the world starts to depend on emerging markets during the next 5 –10 years and SKOLKOVO wants to be the global leader in knowledge creation and knowledge delivery on those markets," said Park. SKOLKOVO sends its students to China and India as part of the MBA course and Park's institute has established a presence in those two countries as well.

"You can't build a dependable picture of emerging markets from the outside. You can't study China from Moscow – you've got to be there."

**CEMENTING TOGETHER** / Some commentators have raised doubts over the strength of certain BRIC members, suggesting Russia should no longer be a part of the group after its economy plunged last year and warning of an impending bubble in Chinese real estate and equity markets. But Park has another opinion.

"Russia's among the most resource-rich countries in the world and commodities are critical to emerging markets. In addition, it's the richest developing market country on a per-capita income basis."

In China, Park admits government liquidity has inflated some asset prices. But he doesn't expect a catastrophe and welcomes the country's stimulus spending on better roads and infrastructure.

"First, I believe in the effectiveness of Chinese government policy – they're very good in terms of economic policies, monitoring and controlling the market. Second, I believe in China's potential. It's one of the world's largest economies, but incomes are low compared to the US, almost 1/15. Given that, the market retains tremendous potential."

And despite historic political differences and a lukewarm first official summit in Russia's Yekaterinburg last year, Park sees the BRICs becoming a closer-knit, and indeed more powerful, club in the coming years.

"The last decade has seen trade among the BRIC countries grow at more than 50% a year. Whatever the politics, the economic reality is undeniable and economics always tops politics. Economic activity and collaboration will continue to expand from the private sector. Eventually, governments will have to follow suit and their role should be to promote the phenomenon further. I'm very optimistic."

Aside from obvious cross-border cooperation on energy supplies, Park reckons there's potential demand for Russia's scientific process in Asia.

"For the last 10 years, Chinese diplomacy has focused on energy, because the Chinese need commodities. But there's also science and technology. South Korea has built a civilized nation partly with the help of Russian technologies. China and South Korea have some of the basics they need, but what about the rest? Russia has it but doesn't know what to do with it. This is an area where cooperation can flourish."

Likewise, Park expects a wave of expansion by Russian firms into Asia as the country's economy gets back on its feet. "For Russia–China, Singapore and South Korea are a gateway to Asia. At the same time, Russia's very important for South Korea and China because they're already big in Europe and need the logistics route through Russia to lower costs."

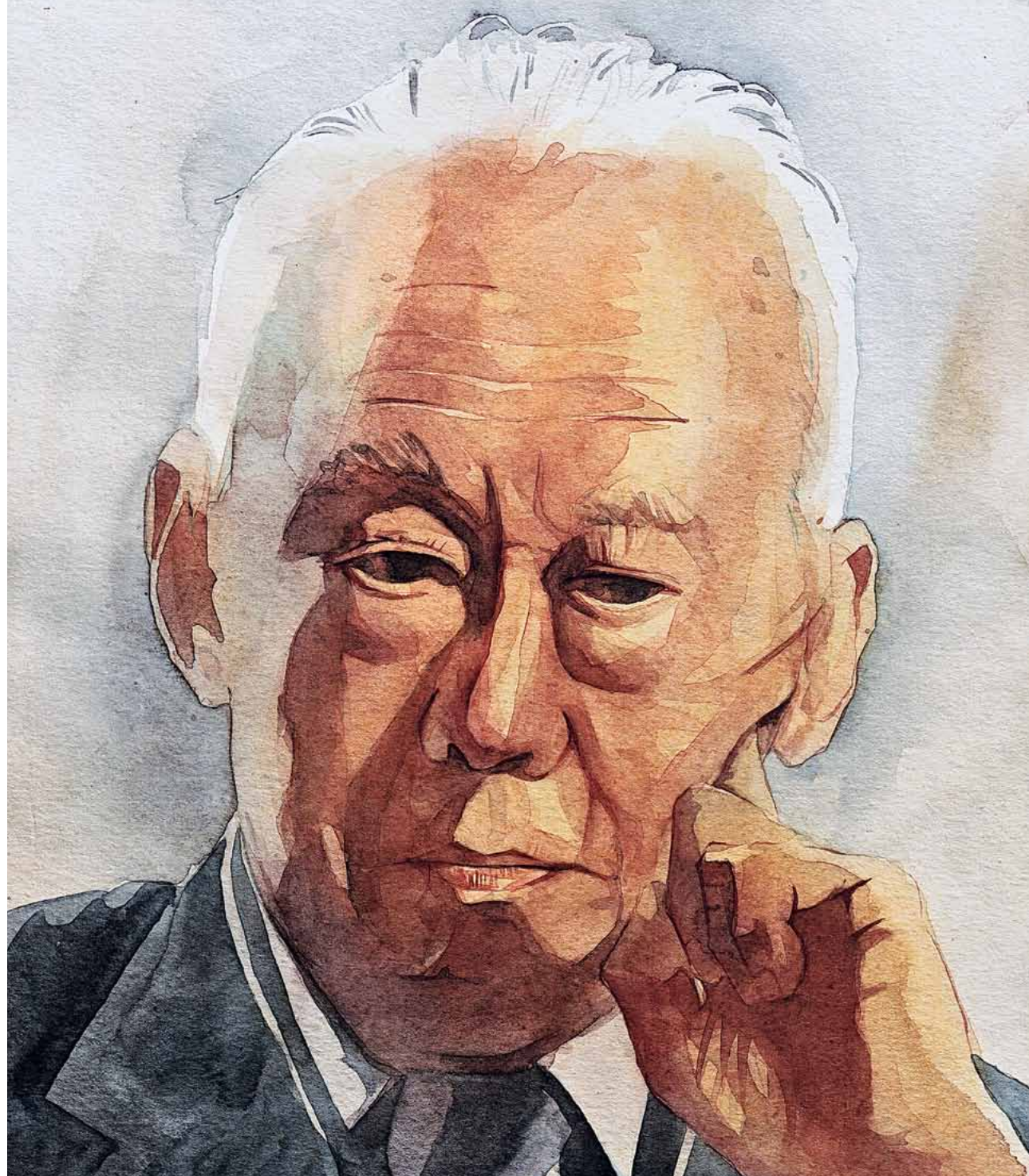
Partnerships will flourish, Park insists. "The likes of China have been growing at close to 10% annually for a long time now, but every year there has been a question: Is this sustainable? Can India keep growing at 7% a year?"

"The difficult situation for emerging markets is understanding of themselves what needs to be done to sustain the economic growth they're seeing right now." 🍏



# PRINCIPLES OF

# LEE KUANYEW



THE CREATOR OF THE FAMOUS "SINGAPORE MIRACLE"

**B E D I F F E R E N T**

We were nothing but a small island, so how did we survive? First by making the people understand that unless we are exceptional, we won't survive. We differentiate ourselves from other countries. We are not what they are. You're corrupt – I'm not. You're inefficient – I'm not. Your country is unsafe – mine is safe. We have no oil, no gas, but we have the biggest refining and petrochemicals industry in the whole region. All the major energy companies are here. Why? Stability, security of investment, efficiency, and predictability.

**K E E P W O R D**

If we sign a contract, we are obliged to comply with all its terms, whatever they are. We need trust, we need to admit the fact that as a result of the deal you can lose, but you'll win in the long run.

**L O O K A T T H E A U D I E N C E**

Since I entered politics I have never spoken from a script. I always look at the audience. What is written in a speech and what is written in the newspapers is structured. The main thing is to keep the audience's attention, so I forget the script while speaking and I watch the audience and when I see that the audience hasn't grasped a point I go back to it in another form. I'm sure Lenin must have done the same thing. In politics, you can't move people with an auto cue. It's a dead speech, because you're stuck to those words. Look at the audience and speak. If you see they're not following you, go back and repeat your point. That's how I do it.

**B E E N E R G E T I C**

When you speak in three or four languages, you quickly run out of energy. English is my best language, it's the easiest, because it's the language I use the most. When I began in 1952, I had to speak many languages. I returned from England and became an unpaid union negotiator. Once I was making a broadcast in three different languages – English, Mandarin and Malay. So after a while, I was lying on the studio floor to catch my breath because sitting down I couldn't breathe properly, it was a real effort.

**B E S I N C E R E**

Why did I do all this? The benefit was that the audience was convinced of my sincerity. I have always understated what I could achieve and then achieved more than I'd promised. So I have built confidence. I have been doing that for 30 years and, as a result, my education policy is to make everyone learn English as their first language.

**L E A R N E N G L I S H**

Malaysia buys Sukhoi jets with Russian instructions. They'd get Indians to translate the instructions into English. But they couldn't read English well, so they had to translate them into Malay. I thought: 'God, two translations? One mistake and someone could press the wrong button! This is dangerous.'

**F I N D A R I G H T P E R S O N**

I've been asked this question 1001 times. I didn't appoint my son. I appointed the prime minister, who was my successor, and he remained in this job for 14 years. He chose my son to be his deputy. I didn't arrange anything. I don't want to overestimate his achievements, but he studied mathematics at Cambridge, where

**ABOUT****Lee Kuan Yew**

Minister Mentor of The Republic of Singapore,  
Member of the SKOLKOVO  
International Advisory Board

Mr Lee Kuan Yew was born in Singapore in 1923, educated at Raffles College, Singapore, then Cambridge, England, graduating in 1949.

He was called to the Bar, Middle Temple, London in 1950. He practiced law in Singapore where he was an adviser to many trade unions.

In 1954, he founded the People's Action Party and held the positions of the Secretary General until 1992 except a brief period in 1957.

He was elected a member of Legislative Assembly in 1955.

In 1959 he became Singapore's Prime Minister, serving successive terms until he resigned in November 1990, when he was appointed Senior Minister by Prime Minister Goh Chok Tong.

He was re-appointed again after the 1991, 1997 and 2001 general elections.



Isaak Newton wrote his theory on gravity. He passed the exam and went straight into the second year. In two years, he had done what other students do in three and in the final examination he scored 16 marks higher than the second-best guy. This had never happened in the history of Cambridge University. Why? Because he's got that kind of a mind. He speaks English, Chinese, Malay. He even used to speak Russian. After five years, nobody doubts that he's able to do his job better than anyone else.

#### B E R E A D Y F O R F A I L U R E

Nobody succeeds in everything he does. Failure is a mother of success – it's a truism. If you're successful in everything, it means you're a miracle man – everything you touch turns into gold. People aren't like that. I could have done better than I had. But at the time, I just had a certain amount of knowledge and I had to make a decision based on that knowledge. If I made a mistake, I'd pay for it. 🍏



DMITRY MEDVEDEV AND LEE KUAN YEW MET UP AT SKOLKOVO'S THIRD ANNIVERSARY, SEPTEMBER 2009





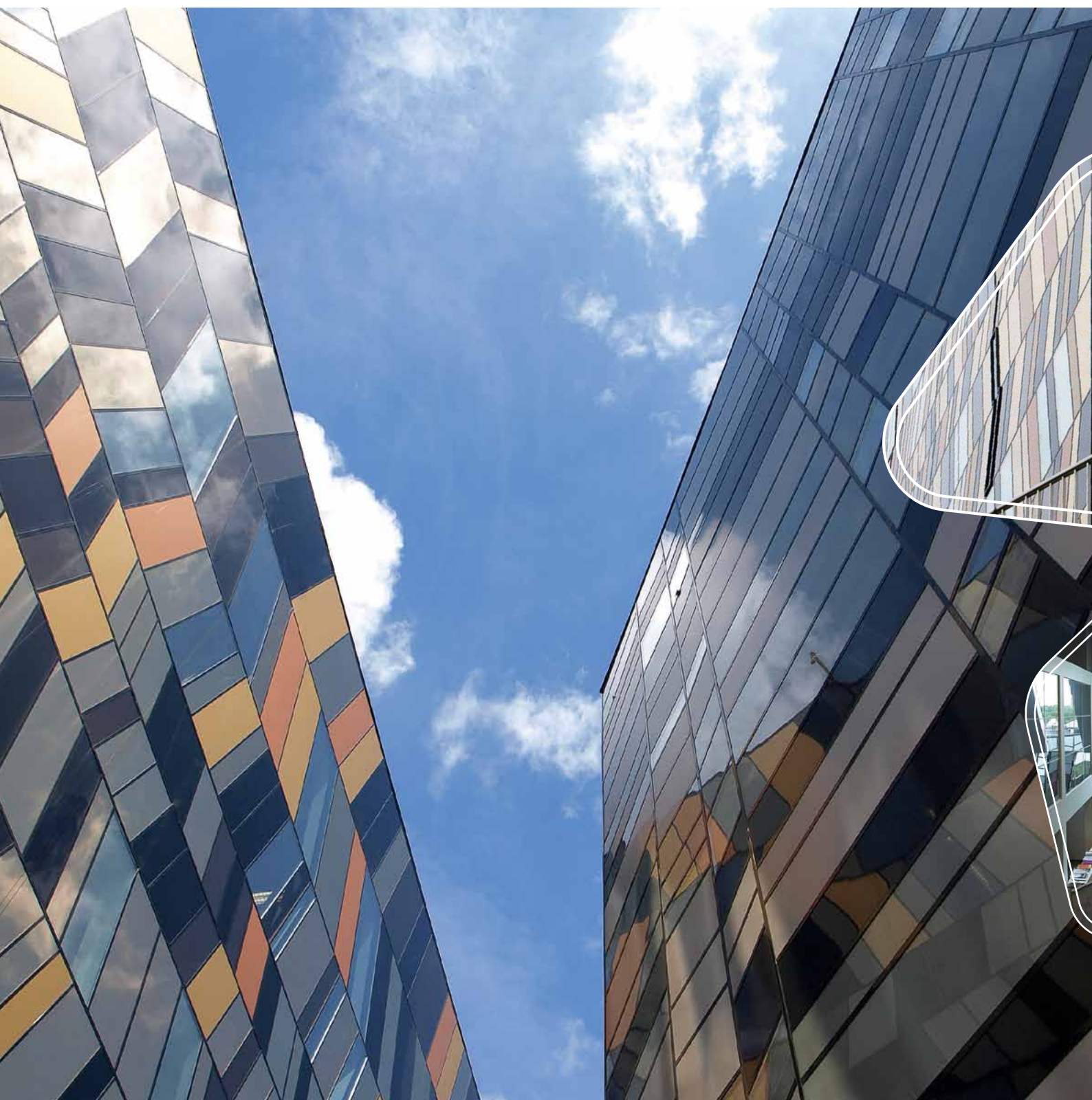


LEE KUAN YEW MET SKOLKOVO STUDENTS, SEPTEMBER 2009.

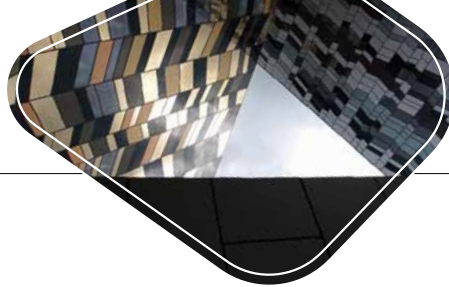


# SKOLKOVO NEW HOME

The Moscow School of Management SKOLKOVO has welcomed this summer season outside city limits. At the last weekend of May, SKOLKOVO team completed the long-awaited move to the newly-built school campus.







After much uncertainty and hesitation that preceded this event, the new campus, located 300 metres outside Moscow along Skolkovskoye Highway, has finally opened its doors to its first permanent inhabitants, three years after the festive cornerstone laying ceremony.

Designed by the British architect David Adjaye, the campus represents an innovative version of the suprematic solutions by Kazimir Malevich. The fusion of multicoloured and various-sized geometrical shapes gives the campus buildings monumentality combined with an air-like transparency, which fully conveys the spirit of the new-format business school.

"Now we will live in this marvellous building that generates a powerful energy field. Your perception of your work environment, of what we are doing and what we are aiming for is about to change", SKOLKOVO President Ruben Vardanian said in his welcoming speech at the campus, adding: "We have overcome many obstacles, and many difficulties still lie ahead. Yet now we know that we are up to any challenge. Welcome to the new home of SKOLKOVO!"

There had been many fears and concerns over the relocation from the comfortable offices in the Moscow City tower to the newly-built campus outside city limits. Yet even the most sceptically-minded team members were up for a surprise. Even though construction is still underway and in full swing, kinds of oases have sprung up all over the place, creating office spaces of heretofore unseen architecture. For instance, by following pointers all the way to the eighth floor, you will make it to the so-called Court zone – a spacious bright room dazzling with the array of SKOLKOVO colours and having two tiers, high ceilings and enormous slanted windows.

While construction is drawing to a close with the final touches, finishing and other minor improvements here and there, the life on campus is gradually picking up pace.

In late May, the SKOLKOVO building won the House of the Year award in the People's Choice category. Over six thousand respondents who participated in the online voting, with some 20% of the votes coming from abroad (the US, Germany, China and Japan), favoured it above all others!

Our own traditions have already started to form in our new home. While the food court has yet to open (with Correa's to handle the catering), an exquisite 'field kitchen' has been set up for the personnel, where the pre-ordering of meals is becoming an honoured ritual. The active construction underway at the future gym keeps the campus residents fantasising about the surprises the Planet Fitness of SKOLKOVO holds in store for them.

Soon, students will also be able to appreciate the campus ambience. In early July, students will flock to the campus for the final, 16th stage of the EMBA programme launched in January 2009. This can be rightfully considered symbolical: students of the first Executive MBA course will be the first to enter the classrooms of the SKOLKOVO campus.

In September, classes will begin at the campus; the lecture hall, conference rooms and sports centre will open; hotels will greet the first guests, and life at the home of SKOLKOVO will play out in fresh colours.





# WHAT TO READ?



In each issue of GO INSIDE SKOLKOVO magazine Helen Edwards, SKOLKOVO Library project manager, will give her advice on interesting books on business, leadership and career – books that will help successful people to become even more successful! First reviews are dedicated to special SKOLKOVO books, which can't leave you indifferent.

## ABOUT

### Helen Edwards

Head of the SKOLKOVO Library Project

Before SKOLKOVO, Helen was working at London Business School for over twenty years, and from 2005 to 2008, she was the President of the European Business Schools Librarians' Group



### Alan Greenspan

#### The Age of Turbulence

Alpina Business Books, 2008

The memoirs of former US Federal Reserve chairman Alan Greenspan are presented in two parts, the first covering personal experiences like his relations with eight US presidents, and the second his ideas on a wide range of global economic and social topics. The autobiographical element is urbane and engaging, its modesty perhaps not truly expressing his influence and range of contacts. And while the book reveals little of a personal nature, the second half – where his own ideas are presented – highlights Greenspan's sway with world figures and gives a unique perspective on global issues. Central to Greenspan's economic philosophy is his belief in free markets, the effectiveness of enlightened self-interest and his apprehension at the prospect of government regulation.



### George Kohlrieser

#### Hostage At The Table

Alpina Business Books, 2008

A psychologist and experienced hostage negotiator – himself taken hostage on several occasions – George Kohlrieser uses the metaphor of the hostage to explain how to defuse difficult situations, at work and in personal life. He describes how not to feel like a victim as well as the need to create emotional bonds to deal with conflict. Both practical and compassionate, Kohlrieser recommends "putting the fish on the table," that's to say to confront issues without being confrontational. The key is to ask permission, listen and maintain respect. The insights from this book have the potential to spectacularly transform intrapersonal issues.



### Peter Drucker

#### Classic Drucker

Alpina Business Books, 2008

Peter Drucker redefined management in the 20th century, establishing it as a profession in its own right. He positioned management at the centre of business, defining both the role of the manager and identifying the key managerial tools and techniques. He revealed the critical importance of the customer to the very existence of business and named marketing as a key management function. Long before the arrival of information technology, Drucker introduced the modern concept of the manager as a "knowledge worker" who assumes responsibility and makes decisions, in contrast to the "men in grey suits" who are paid to take orders. Important both for its practical applications and the rigour yet readability of the analysis, Classic Drucker presents the essence of this wide-ranging and prolific management thinker.



### Clotaire Rapaille

#### The Culture Code

Alpina Business Books, 2008

In this book, Clotaire Rapaille applies the tools of psychoanalysis to marketing. He believes in a cultural "unconscious," developed through emotional experiences, often in childhood and specific to the culture in which one grows up, which can be explored and exploited for branding purposes. Through discovery sessions and observations, Rapaille identifies the "code" best used for advertising specific products. The book analyses 20 aspects of American society – such as food, love, home and health – identifying the cultural archetypes associated with them and comparing them to other societies, which may be markedly different. Rapaille's own success with international branding campaigns reinforces his approach.

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