

Summer 2011

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SKOLKOVO

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-  BUSINESS EDUCATION TRENDS
-  VLADIVOSTOK, HERE WE COME!
-  HOW TO NAVIGATE IN THE NEW REALITY

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Moscow School of Management

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DEAR READERS,

Welcome to the summer issue of SKOLKOVO Go Inside, the magazine about students, alumni, programmes, start-ups, professors and experts.

Learning by doing through real-world projects, cases and tasks was the key guiding principle at SKOLKOVO in working on the latest issue of the magazine.

Having decided to cover project-based learning, we have been looking for answers to pressing questions. How are the school's graduates coping in the real world? What trends are evident in global business education? What helps entrepreneurs to become successful? ...

In this issue, you can see the outcome for yourself. Spend the summer with SKOLKOVO Go Inside!

WE HOPE YOU ENJOY THIS EDITION!

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PRINTED
MOSCOW, 24/2 TSVETNOY BUL
TEL.: +7 495 608-4549/ 4396/ 406
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Advertising Technology

FACTS'N'FIGURES



Over 800 media representatives registered for Russian President Dmitry Medvedev's first press conference on the SKOLKOVO Campus, which took place on 18 May 2011

In the first six months of 2011, SKOLKOVO's Executive Education team launched seven integrated educational programmes



SKOLKOVO has over 20,000 followers on Facebook, Twitter, YouTube, LiveJournal and Blogspot

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PROGRAMMES

60% of students from the first MBA programme have their own business projects



Around 300 Russian and international business representatives have come to speak as experts on SKOLKOVO programmes



The Campus continues to host guests. Open lectures by Noubar Afeyan, Richard Kivel, Moty Kristal and Alexander Osterwalder were attended by over 2,600 people.

TIPS FROM THE SUCCESSFUL:

ON LEADERSHIP, ENTREPRENEURSHIP, BUSINESS MODELS AND NEGOTIATIONS

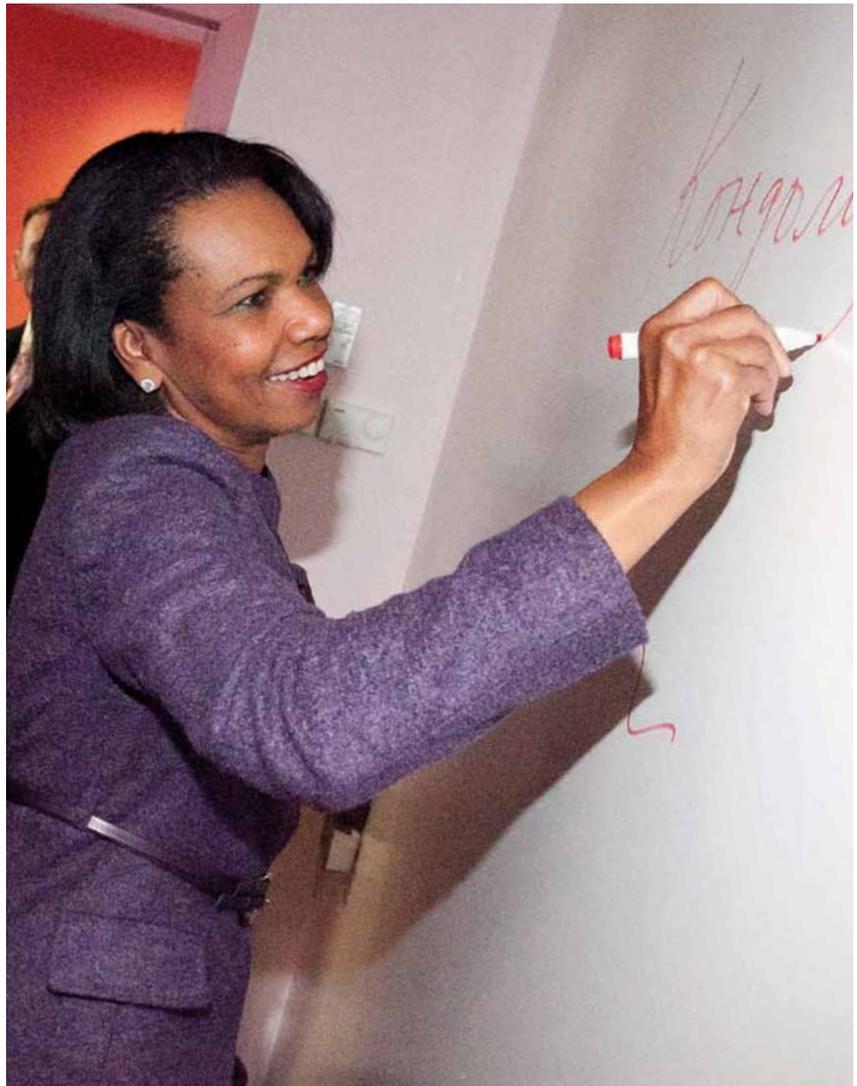
SKOLKOVO is gaining momentum as an intellectual platform. Closed discussions on global issues with representatives of the international community and public lectures on Saturdays by visiting professors attract hundreds of listeners. Who are they and what do they say?

ABOUT

Condoleezza Rice

The 66th US Secretary of State, in office from 2005 to 2009.

Today, Dr Rice is Professor of Political Economy at the Graduate School of Business, the Thomas and Barbara Stephenson Senior Fellow on Public Policy at the Hoover Institution, and Professor of Political Science at Stanford University.



CONDOLEEZZA RICE AT SKOLKOVO, MARCH 25, 2011

- ▷ Russia needs to convince people of its stability and then to combine its strong scientific base with commercial objectives. These are the main difficulties.
- ▷ We must teach leaders to look further. Indeed, today almost every issue really is global.
- ▷ The main task of a leader is to inspire people.
- ▷ True leaders must be prepared to see that their position is not always the most profitable or enjoyable.
- ▷ Great people should be treated with a degree of tolerance. They, like ordinary people, are no strangers to mistakes, but we must allow them to return.

ABOUT

Moty Cristal

Visiting professor at SKOLKOVO and professional negotiator.

Having made a brilliant career as one of the leading Israeli experts on negotiation, Moty Cristal established NEST Consulting. The company's goal is to use the unique Negosystem© Crystal methodology and his experience in successful negotiations for the private sector. Prior to the establishment of NEST, Moty Cristal represented the Israeli government, occupying key positions, including Deputy Head of the Negotiation Management Centre under the administration of former Prime Minister Ehud Barak, and he also participated in the Camp David and Taba summits.



MOTY CRISTAL, OPEN LECTURE AT SKOLKOVO, MAY 28, 2011



- Winning in negotiations is one thing, but defeating your opponent is something quite different, because then they want to defeat you. Always allow your opponent to stand up.
- Make a map showing all stakeholders in negotiations and relationships between them. You will find someone who you can use to your advantage.
- If there are no women in your team of negotiators, you lose power in negotiations. Women see things with a wider perspective than men and they notice more details.
- “Why” is the most effective word in negotiations. No matter how sure the opponent sounds, ask why his stance is what it is.
- One important rule of negotiations is: “If you did not prepare, get ready for defeat.”



ABOUT

Alexander Osterwalder

Entrepreneur, “revolutionary” in the field of business process modelling, best-selling author, consultant and lecturer.

He regularly holds workshops in companies and at leading business schools and speaks at conferences around the world. Dr Osterwalder has established himself as a guru by developing an innovative model of business processes based on clear, practical methodology that is easy to use for corporations, small businesses and start-up projects alike. Business executives and entrepreneurs around the world use this technique to strengthen their own business models and achieve competitive advantages. Ericsson, IBM, Telenor, Capgemini, Deloitte, Logica, 3M and the Department of Public Works and Services of Canada are just a few of the adherents of this approach.



ALEXANDER OSTERWALDER, OPEN LECTURE AT SKOLKOVO, JUNE 16, 2011

- It is very important for companies not only pay attention to new technologies, products, services, distribution networks and its markets, but also to understand how all these parts are interconnected.
- Always test a business model. Often this is neglected, but the components of the matrix are often only a set of assumptions.
- Similarly to an architect who makes many prototypes, you need to imagine the possibilities for business models before you begin.
- The problem is that few people can imagine and paint the big picture of their business.
- It is important to change constantly. Change the product itself and simultaneously experiment with the business model.

ABOUT

Richard Kivel

A successful entrepreneur, investor and senior lecturer at the MIT Sloan School of Management.

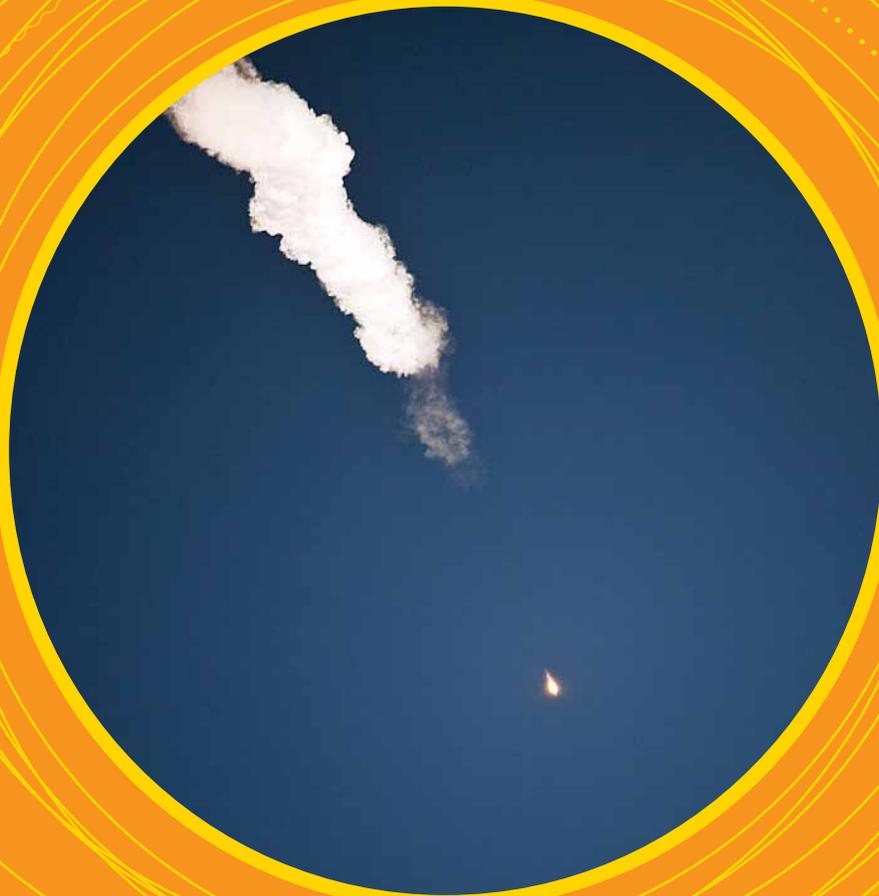
Richard launched many profitable start-up projects and contributed to the emergence of successful companies in IT, software and bio-technologies, and was subsequently listed in the "40 under 40" list (the 40 most successful people in the United States under the age of 40). Richard heads the MIT Enterprise Forum and is a judge of the MIT US\$100K Entrepreneurship Competition, one of the largest student competitions to develop a business plan with a fund of US\$100,000. Richard is a member of the Board of the MIT Alumni Association and a lecturer at MIT and other major universities and business schools.



RICHARD KIVEL, OPEN LECTURE AT SKOLKOVO, APRIL 2, 2011



- // It is not enough to have a good technology: you need a business idea and a plan.
- // Investors will affect your business, so learn as much information about them as possible.
- // In business, communication is important. A successful business is impossible without key personal contacts and important people with whom you can come to an agreement.
- // Investors do not invest in technology, but people. A good entrepreneur can make a great product from average technology.
- // The state must build the infrastructure and create conditions, but only entrepreneurs should be involved in producing innovation.



AT THE STARTING LINE

The first intake of MBA students included people who definitively decided that they want to establish their own business. Here are several examples of how they were able to realise their ambitions.

LAWRENCE WRIGHT

was appointed Start-Up Projects Director at the Moscow School of Management SKOLKOVO in spring 2011.

HOW DID YOU COME TO BE AT SKOLKOVO?

In Russia, innovation in business and innovation in general are fraught with problems, despite the government giving a lot of resources, attention and support. And this is a rather complex issue for the country and quite an important one. We have discussed issues of entrepreneurship and start-ups with the school administration, and I became interested in trying to create something unique here together.

ISN'T THERE A CRISIS OF IDEAS RIGHT NOW?

This is a subjective issue, and the problem is not just a crisis of ideas. In fact, devising ideas is not the students' task: we need to engage scientists for this. Therefore, to create a stream of projects, we will consider ideas for new companies and will be working with strategic academic institutions.

WHAT ARE THE MAIN PROBLEMS THAT YOU SEE WITH START-UPS THEMSELVES, WHAT STEREOTYPES ARE THERE, AND IS A GOOD SCIENTIST ALSO ABLE TO COPE WITH BUSINESS?

Many aspiring entrepreneurs and young scientists overestimate the value of their know-how. And this is a habit that is very hard to break. Scientists typically want to be compensated for all contributions to research and development for the past 20 years. Of course, this is nonsense: it is crude technology, no one will buy it. By itself, patents and know-how are worth little. A product that buyers are willing to pay for has real worth. Developing it further is even an art, as is doing it well. The Moscow School of Management SKOLKOVO is a solid platform for creating innovative projects: it is open to all ideas. Only time will tell how everything will be. Right now, we are just taking our first steps, and only one cycle of students has graduated from the MBA programme, in December 2010. It would be better to discuss specific examples of what investments have been raised in around a year.

CAN INNOVATION BE STIMULATED?

Yes, but I think that at first, you need to do more than borrowing Western ideas. Therefore, we cannot reject this option because it is a necessity. But I would like to see innovative projects be in the majority, or maybe 50%. And the SKOLKOVO MBA students and I will also work on this.

ABOUT



Lawrence Wright was born in Texas in 1966.

From 2005 to 2011, Lawrence Wright served as executive director of Xlerate Technologies, where he developed high-tech start-ups, attracted venture capital and consulted on strategic development and investment. From 2002 to 2005, Lawrence Wright was Deputy Executive Director of the International Science and Technology Centre, the largest sponsor of research and development projects in Russia and the CIS, on the basis of which he created Russia's first programme to support the commercialisation of technology.



Tigran Chibukhchyan and Murat Halishov, the founders of the Forest Lab project, became friends in SKOLKOVO while working on a project to develop an investment programme for the town of Svetly in Kaliningrad Region. The backgrounds of the young men are very different: Murat worked for five years in financial advisory services (Unicon, Delimiter) and Tigran was a medical school drop-out who helped to develop Apaga, a family business specialising in eco-tourism in Armenia. He also had his own business, a flooring company. During trips to Svetly, the young men came to understand that their views on the project are the same and they are comfortable working with each other. Why not come up with a joint business?

“I wanted to make use of the resources that the business school gave us,” said Murat.



Forest Lab

The idea of the first project – the creation of an entertainment complex near Moscow – was immediately cut down. It was capital-intensive and needed an operator, and there was the reasonable question of why are two students doing this. They began to look for projects in which the intellectual component played a large role in the success of the venture. Before SKOLKOVO, Murat was thinking about his own logging business and knew the problems in the industry. One of them is a limited supply of hardwood and growing demand for it. The choice of business sector was indirectly influenced by what they had learned in lecture, and it was clear that they must look for a non-consolidated industry, where one could

become a niche player (the Blue Ocean concept). Deciding that it would be nice to find a technology to make oak out of aspen, the two friends rang higher educational institutions that had wood processing departments. Some refused to talk to them at all, and the more progressive schools asked for US\$ 1 million for development and a waiting time of five years.

The idea was dying slowly, but then the students came across an article about Professor Vladimir Shamayev at the Voronezh Forestry Academy, who invented a way to make wood stronger than steel. They immediately travelled to Voronezh to meet him. The material that he made in the laboratory was actually stronger than oak. But it cost more. The two men asked him if there was anything easier. Professor showed them an interim solution, a ten-year old invention: processed wood, obtained by modifying the chemical and mechanical plasticisation with urea under the Destam brand. This was exactly what the young entrepreneurs were looking for. Hardwood made out of soft varieties that was moisture-resistant, fire-resistant and did not rot. In addition, the technology made felling softwood profitable, which had always been a headache for the logging industry.

The sixty-year-old professor wanted to commercialise each invention with different investors. How could they convince the scientist to become a member of the team? This proved to be one of the main difficulties that Tigran and Murat faced. There was new input at every meeting.

“In any venture project, income is a function of risk,” said Murat. “If there is a technology for which there is demand, we must be prepared to fight for it.”

There was a long period of negotiations, discussions, sizing each other up, and only after six months of communication trust and understanding of the mutually beneficial goal was established.

During their internship at MIT, Tigran and Murat showed their project to venture capitalists and they came to have a clear understanding of who the customers would be: people who want affordable furniture, floors made of expensive types of wood that is durable and easy to maintain. They calculated amount of necessary investment and the approximate recoupment period. Destam costs several times less than walnut. A whole line of products is now available: they resemble rosewood (which usually costs RUB300,000 or more per cubic metre), walnut, Caucasian oak, and mahogany (broadleaf mahogany).

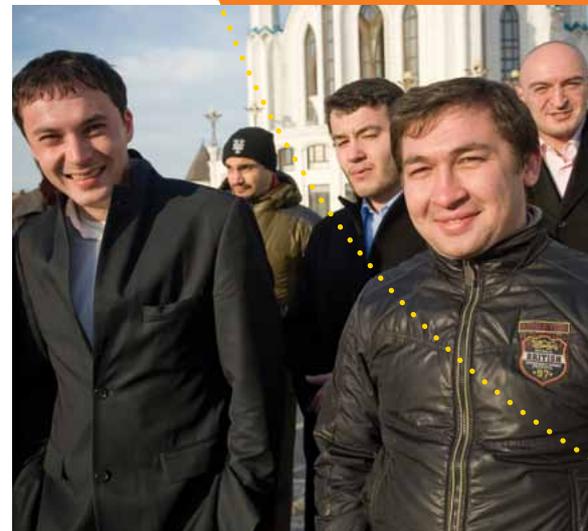
“These same features will be at least 50% cheaper for consumers,” said Murat.

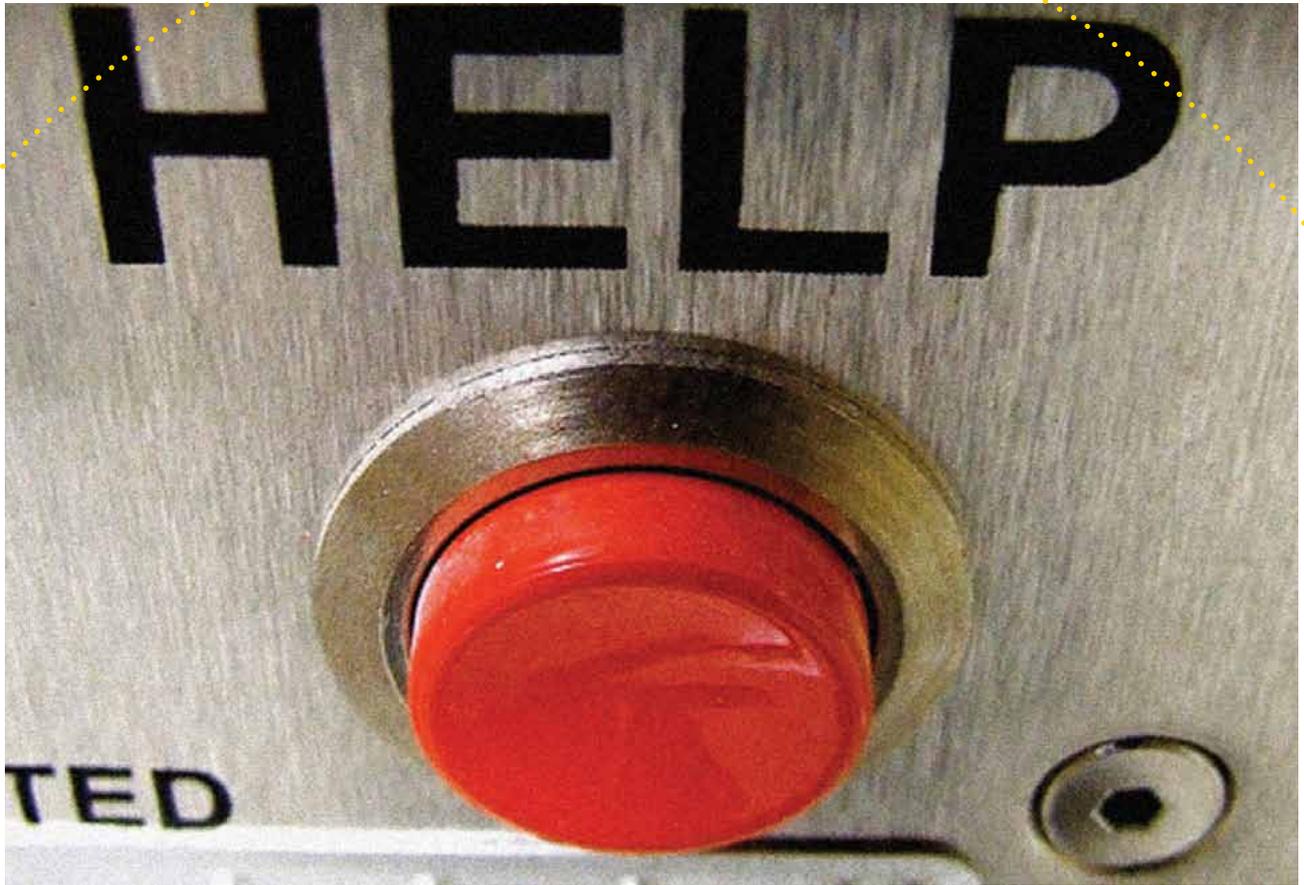
In December 2010, the laboratory produced a wood sample suitable for display in presentations. Interested people came forward. Having accepted money from a private investor, Tigran and Murat ordered a professional business plan and environmental study by an independent laboratory in Germany. The plan was to open a pilot plant and debug the production process over 18 months and test the equipment assembled from original blueprints. Tigran and Murat would then sell the first consignment of wood to furniture manufacturers, perhaps on their own. And subsequently profit from the sale of the technology and the software for the mini-mill.

The plan is to secure the first tranche from investors in autumn 2011; the negotiations involve three Russian funds and one European one.

“There are global prospects: we are a green company, saving the world’s forests,” said Tigran. “Similar technology is out there, but our advantage is price.”

Nevertheless, many unresolved issues remain. For example, where to promote first: in Europe or China, where there is growing wood consumption.





THE CHALLENGE IS ACCEPTED

Before graduating in marketing from Russia's Higher School of Economics, Irina Linnik started working in retail lending in 2003. Her career began at Investsberbank, where she helped to build a lending business from scratch. "It was my first start-up experience," said Irina.



She was thinking about going to business school while she was still working at VTB24. It is difficult to promote projects within a large structure, and she wanted to change something in her life. Her partner on the Life Button project, Dmitry Yurchenko, traded derivatives and also dreamed about his own business in a field not associated with financial services.

Irina decided to go to SKOLKOVO after hearing a lecture by Ruben Vardanian (prior to that, she was only considering business schools abroad).

"Ruben Karlenovich is real entrepreneur," she said. "He said that when you are the

owner, you might come home tired, but you cannot sleep – you are full of ideas. This was in sync with what I wanted.”

Even before admission, Irina had ideas for her own business: she thought of developing a concept for smart homes. But in the process of learning, she understood that what matters is a scalable, long-term business.

Her classmate Dmitry Yurchenko already decided at the time that a promising line of business for Russia could be the mobile medicine market. But he needed a marketer. And Irina came to the project. The partners did not waste time and during their internship at MIT, they met with experts and doctors to understand how mobile medicine works in the West, how much money is required for projects in this field, and what services may be relevant for Russia, accounting for the differences in mentality and the health insurance system. As a result, the idea crystallised into the Life Button service, which enables a person to call for help in an emergency. The elderly or people with disabilities are provided with devices with an alarm button. If they fall, a signal goes to a call centre operator, who takes action according to a prescribed scenario: calling relatives, neighbours and an ambulance.

It is known that 80% of the elderly who have fallen are not able to reach the phone and call an ambulance. In the case of a hip fracture (a common injury for the elderly in a fall), even if you just turn the person over into another position, you can avoid many negative consequences. According to US statistics, the US\$1 investment in such devices yields US\$7 in savings upon hospitalisation. Given the increase in the elderly population, it is clear that this line of business is appropriate for Russia.

The first devices that will be distributed free of charge for testing are Austrian-made. The average price of the unit is estimated at RUB6,000-8,000, plus a monthly maintenance fee. It is not the elderly themselves who will pay, but their relatives who are interested in this service. But the essence of the service is just not in the device: it is in the operation of the call centre.

A prototype business model was created, and then came the crucial stage: testing in practice. Irina said that people at SKOLKOVO are very aware of the importance of creating a prototype. This was illustrated in the course on business modelling, when they built houses out of pasta: a model is much better than blueprints to determine whether everything has been taken into account.

“We already understand how the signal is received and how it is processed,” Irina said. “It remains to be seen how the whole plan works in practice.”

In January 2011, a business angel invested in Life Button, and now the start-up is looking for other investors. The team numbers five: apart from the two founders, there is an IT director, a call centre manager and an online promotion expert.

Irina and Dmitry uncovered many unexpected facts while interacting with the experts. For example, the average Moscow ambulance arrives in 17 minutes and all vans are equipped with GPS transmitters. And to save lives, it is often enough to ensure that first aid is administered during the first two to four hours after the fall. Communication with doctors brought new ideas into the business. For example, Irina and Dmitry found out which standard information is needed to ensure that an ambulance dispatcher can more easily decide which medical teams to send, and they included the relevant fields in the questionnaire for clients.

During the testing period, which should have already started at press time, about a hundred devices will be distributed. Life Buttons' personnel are looking forward to this event, and not just as the founders of the start-up, but also as potential customers: Irina is going to give her grandmother a device.





Artemy Subbotin has been living at a hectic pace in the past few months, constantly shuttling between Moscow, Kyiv and Cherepovets. He has been promoting non-destructive testing of metal quality, and this autumn, if all goes smoothly, steelmaker Severstal, in Cherepovets, will install non-destructive testing of metal quality on its continuous casting lines.



Artemy is no stranger to communicating with people living in parallel worlds. His first education was in automated control systems (he graduated from the Russian State Technical University) and his career began as a technical support specialist at the Federal Financial Monitoring Service. He then went to work for MDM Bank and was involved in a project to create an internal audit function for business processes: "The task was to monitor whether the risk management was running smoothly and whether systems and people were working."

In four years, Artemy went from chief specialist to head of the IT-auditing department. Artemy, then 27, realized that he wanted to go into business himself and decided to study at SKOLKOVO: "I was hooked by the promise to to

be taught in practice," he said. "And I was afraid that I would learn theories of finance and negotiation without any experience in a real business."

Working on an enterprise project in China, he came to believe in himself: 90% of the activities of a marketing plan that he and his team of students developed for a large Chinese corporations were actually implemented on the Russian market. And he returned from America with a clear idea: to work on the commercialisation of scientific inventions from the laboratory testing stage to the finished product on the market (he learned much at MIT about this).

The issue of in what area to look for an invention resolved itself: Artemy had iron and steel magnate Alexei Mordashov as his mentor. Artemy decided to use these meetings to his benefit and focused on increasing production efficiency in the industry. Having searched the internet, he realised that quality control is a hot issue for steelmakers. There were people among his acquaintances who were ready to invest in such development.

Billet (slab) quality in most steel companies is controlled using technology that requires cooling the slab from 1,200 degrees Celsius to a minimum of 100 degrees, which usually takes two days. The proposed technology enables the cooling phase to be bypassed and fulfils every steelmaker's dream: "hot-thrust" technology, whereby the hot billet immediately goes into rolling. Eliminating secondary heating in the production of one million tonnes of steel saves US\$2 million.

"There is nothing similar to our hot slab quality control technology anywhere in the world," Artemy said.

When Artemy told Alexei Mordashov about this technology at the first meeting, he became interested and called the production director, who suggested conducting demonstration tests. Artemy and the developer of the technology flew to Cherepovets. Severstal eventually became the first client, having allowed testing of the technology in real industrial environments.

Work on expanding the product line is currently in progress. In addition to the flagship product, the automated installation for hot slab quality control, automated installations for quality control of pipes and sheet are being designed, as well as their mechanical "manual" versions.

Artemy had a strategy to develop a start-up, and he determined potential markets and customers. Today, he is already exploring opportunities to sell and search for partners in China, which accounts for 43% of world steel output. Further development of the project involves the use of technology in other markets where the technology is laser-EMAT (electro-magnetic acoustic-diffraction flaw detection), which also has many advantages. For example, to control the quality of railway rails (for speeds up to 200 km/h, the equipment can be attached directly on the Sapsan train. Artemy has already visited the rail car factory and checked whether the technology can be used for to control the quality of elements of rail trucks.

"The ideal situation for promoting any technology is access to business owners or CEOs who are interested in improving their business," said Artemy.

He is already thinking about participating in other technological projects: people who can come to an understanding with scientists and investors are in demand.





SOLOS WITH BATONS ARE A THING OF THE PAST

A large hall with a man in the middle. He is extremely well known. Now he will show us what he alone can do. People come from distant cities come to see him. This is the classic circus – individual numbers, talented and interesting, but united only by the master of ceremonies, who announces the next act, with a show that is repeated with almost no changes from year to year. So far, this circus is playing to full houses. But for how long? After all, the new Cirque du Soleil circus is already here.

THE CIRCUS AND BUSINESS SCHOOL – SEEMINGLY NOTHING IN COMMON? EDITORIAL BY EVGENIA OVASAPYAN

The success story of Cirque du Soleil is the favourite case study of Renee Mauborgne and Chan Kim, the authors of the best-seller “Blue Ocean Strategy”. This circus still has no direct competitors – the founders came up with an entirely new approach – as it is not a circus, not a theatre and not really a stage show. Cirque du Soleil is the story of the emotional experience that audiences and actors live through together. And it does not rely on one or more key characters; it places its stakes in a story in which characters complement one another, and each number is part of an overall theme that has a beginning, climax and end. In this story, everything is important – the acting, lighting, music, direction – it all helps the spectator to go through a variety of notional and emotional experiences.

It is not a coincidence that we are talking about the circus. After all, the situation with business schools is similar. The system of tenure is still thriving at all of the world’s oldest universities that have opened or are in the process of opening business schools. Tenure is the lifetime employment of instructors with full pay, regardless of the quantity and quality of the lectures. Every year, instructors delve deeper into theory and move away from practice. The names of these instructors are often well known, and they themselves are in great demand. But the only issue is that the spectators have already changed.



THE INTEGRATED PROGRAMME --EVRAZ NEW LEADERS 2011--



ABOUT



Evgenia Ovasapyan
Director of Executive Education Department

Evgenia Ovasapyan has been working at SKOLKOVO since it was established in 2006. That same year, Yevgenia presented her first proposal for SKOLKOVO to the public – short-term executive education programmes. Since 2007, SKOLKOVO has conducted numerous programmes for the largest Russian and international companies. In the first year of operation, more than 500 executives participated in 40 SKOLKOVO programmes.

Prior to 2006, Evgenia Ovasapyan worked for 11 years at the Russian office of the Thunderbird School of Global Management, a US university, where she focused on working with its key clients and specialising in the oil, gas and telecommunications sectors.

Today's business-school students are interested in theory only in that it can serve as a tool for solving specific problems. No matter how wonderful the professor, if only dry theory is presented on his or her course, the purpose of attending is lost because any question can always be "googled" right during the lecture. What is much less obvious is the ability to link theory with practice and look at a situation from another angle or different angles. That is why students really appreciate meeting with real people from the business world who supplement the professor's lectures and show them how beautiful theory works in practice. It is even better if they are invited to a company where, among other things, they can see it all with their own eyes.



CRAIG COHON, CHAIRMAN, CIRQUE DU SOLEIL - RUSSIA

Thomas Stewart, editor-in-chief of the Harvard Business Review, once said that the foundation of today's success lies in ideas and opportunities for their proper communication. Leading companies are interested in increasing the intellectual capital of their staff to gather the best ideas and stimulate thinking. For many years, corporations have trained almost every one of their staff. However, after the 2008 crisis, the situation changed. Major international companies have realised that simply investing in the training of employees with some new knowledge is not effective. After all, there is no guarantee that an employee will be able to apply it correctly, or, for example, he or she could decide to change employers in the near future. That is why today, most business school programmes are integrated into the operations of corporations, adapted to its specific objectives, supplemented by experts and are often more complex than choreographed Broadway shows.

In this new history of education, it is very important that the professor is willing to work with a company and interested in the client more than in himself, while programme directors need to understand the client's business enough to attract the right experts. And someone has to take on the challenging task of directing, because knowledge is best secured by means of emotional experiences.

When the Cirque du Soleil hires employees, they undergo three stages of selection. The most important one is when they put the candidate on the main stage and ask a single question: who are you? The second phase includes many different exercises aimed at achieving a single goal: to find out whether a person has the ability to work in a team. Only in the last stage is the candidate interviewed about his or her professional skills. This approach has a very simple explanation: self-identification and teamwork is more difficult to teach than to explain how to turn a wheel. International business schools are now at the first stage – they have yet to respond to potential students about what kind of schools they are – who are they? 🍷



“Blue Ocean Strategy” is a book on business strategy that was published in 2005. It instantly became a best-seller. Its authors, **Chan Kim and Renée Mauborgne** of the INSEAD European business school, published it after 15 years of research among companies in 30 industries. The main theme is that companies' rapid growth is achieved by generating productive business ideas. The authors show how companies that create demand in new markets where they have no competitors (in the terminology of the authors, these are called “blue ocean” markets) grow rapidly and achieve high profits. As examples, the authors present 150 successful strategies that companies have implemented in the real world.

Самые
в реальности
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ПРОФЕССОР ЕЛИЗАВЕТА САДОВА ВЫСТУПАЕТ ПЕРЕД УЧАСТНИКАМИ ПРОГРАММЫ "КОМПАС ДЛЯ НОВОЙ РЕАЛЬНОСТИ"

HOW TO NAVIGATE IN THE NEW REALITY

The audience is in the classroom where one of the modules of SKOLKOVO Professor Elizabeth Sadova's public programme, "Compass for a New Reality", is in progress. The programme was first launched in 2009 as an educational project for a sterling pool of talent and entrepreneurs.

ABOUT

Elizabeth Sadova

Academic Director of Executive Education Programmes, Moscow School of Management SKOLKOVO

Area of expertise: Leadership, organisational development, change management, performance and talent management. Author of several unique multi-module programmes on leadership for HR directors and top executives. Elizabeth Sadova successfully combines her professional management and international experience with her expertise in business education. She worked for CBSD/Thunderbird for over 10 years. Among her clients were such companies as Boeing, Caterpillar, Coca Cola, Danone, ExxonMobil, THK-BP, Hewlett Packard, Unilever, Corning and others. Since 2007, Elizabeth has been Academic Director of the SKOLKOVO Executive Education Department. She has been working in this capacity with such companies as the Federal Grid Company, Gradient, Ratiopharm, Evraz Group and others.

The current class of 23 students is the second cycle of the programme. The group includes young managers who have made a career leap, aspiring entrepreneurs and managers working in large corporations. Everyone seems to be engrossed in today's theme: conflict. After a vain appeal to end the discussion, the instructor provides extra time.

Each group briefly describes the situations that the participants encountered in practice. For example, the company management, having established a new unit, did not appoint the person who had been the informal leader of the team (given that everyone's competencies are all the same). The new manager fulfilled his duties and the team produced results. But the situation soon became too intense.

"All the Motivations for the appointment should have been clarified!" blurted someone from a parallel group.

"We have done that," answered the speaker. The conflict resulted in the majority of the disaffected, including the informal leader, leaving the company.

"Maybe they should have been sacked immediately?" someone suggests.

HOW DID THE IDEA FOR THIS PROGRAMME COME ABOUT?

Elizabeth Sadova: The idea originated in 2008. I had long wanted to come up with something fresh and different. When you are in this field for 15 years, and you can teach the subjects of leadership and change management with your eyes closed, there comes a need for something new. There are issues that often arise among entrepreneurs, young executives, those who are considered their companies' "sterling



IGOR GRISHIN, PRESIDENT OF THE GO FEDERATION

talent pool". They have no opportunity to study two years at business school, but they need to systematize knowledge.

Furthermore, it was understood that it should not be a short programme or a one-off lecture, but namely systematic transitions through several modules. It was important to track performance and results.

I studied what areas they may need. The result was a 10-day programme: five modules of two days each.

HOW DOES "COMPASS" DIFFER FROM OTHER PUBLIC PROGRAMMES AT SKOLKOVO?

Elizabeth Sadova: In fact, "Compass" consists of several themes that can easily be taught separately, they have been already developed and thoroughly thought-out. But to link them together is a matter of creativity. And the combination is unusual.

"Compass" was made of building blocks: economics, macroeconomics, an understanding of Russia, management, leadership, entrepreneurship... These are all linked and all relate to each leader.

Each module is an individual approach: engagement of professors, experts, decision making, what to concentrate on and what to omit. For example, today, I planned to spend two hours on conflict and we are already there for four: I see that the topic is very important for the group, and everyone wants to project his or her expertise and understanding of their own managerial mistakes.

The programme reflects current realities: it is impossible to follow a previously thought-out scenario, if the environment introduces new input every time. What is important is flexibility and the ability to determine what currently concerns the group: hence the opportunity for dialogue and learning for experienced managers and a desire to look at oneself and try out the role of future leader and change manager.

In developing the programme, I did not set out to provide participants with academic knowledge in each subject, which is impossible in such time frames. I just wanted to show how these forms of management and the proposed methods work in real life, and how people develop them. So we began to invite practitioners, and not corporate leaders, but namely entrepreneurs. Natalya Kasperskaya, Maxim Nogotkov, Rostislav Orlovsky-Tanayevsky Blanco, Vladimir Pirozhkov, Valery Rozov: they all came to "Compass".

The task was to develop purely theoretical things using examples from practice: work on projects that are not as in-depth as our integrated programmes, but training projects, on evaluating the content of the topic. We covered finances: they calculate the finances; we looked at marketing: they looked for a marketing niche. Such projects also enable the development of skills that are severely lacking in many managers: speaking and presentation ability.

"Compass" participants also differ from those of other public programmes. Here are people who chose this programme and paid for it themselves, and I interview each of them personally. Knowing what they want, what their objectives are, we make individual plans. This is not an assembly line. The topics of the modules are sufficiently standard, but the process of presenting the material is different.

BUT WHY DOES THE APPROACH DIFFER?

Elizabeth Sadova: It is the 21st century. Generation Y managers are different. This is the internet generation, and it is easy for them to find everything and read it themselves. But they have other difficulties: very little analysis, very fast pace, very few stops, so little time to think. It turns out to be an imitation of feverish activity. And



NATALYA KASPERSKAYA PARTICIPATED AS A GUEST-SPEAKER AT «COMPASS FOR NEW REALITY» PROGRAMME

I ask them a question: guys, why are we running, let's stop and think. My problem is that they turned out to be managers who understand that they live in a global world and do not do everything as it was done before, and they use new, modern forms of management. Unfortunately, as soon as they become leaders, they often immediately internalise the old models, in literally just three seconds.

They are very interesting. The generation's distinctive features are that they think more about life and want to be able to have enough time to do everything. It is even evident in the modules: they are immediately networking, which you do not see in other public programmes; they correspond; they communicate in social networks during the breaks between modules.

In general, "Compass" is designed not to learn something – it is impossible to learn a leadership strategy or topic in two days – but we want to show the interesting areas and kick-start ideas: look at this, maybe you will find something for yourself. What I really like about this group is that they immediately add something of themselves to the theory and learn from each other. The spirit is good and very positive.

DID YOU MAKE CORRECTIONS TO THE PROGRAMME?

Elizabeth Sadova: Yes. The programme is alive. In the first "Compass," for example, there was no decision-making topic, but there was more marketing. But I go by the needs of the audience, and this group does not really need marketing, so we did it in the first module, when we talked about



choosing a niche, the life cycle of a company and strategies. We introduced variations in the design work: now, the participants are working not only on those projects that we have come up with, but also on corporate projects in their own companies. In the first group, I coached participants individually between modules. This time, we held individual meetings only at the beginning of the programme, and, of course, there will be feedback at the end. But we are in touch by mail and by phone with them all the time. Recently, one student sent me letter stating that he has a problem he would very much like to discuss with me. I responded by saying that I recommend that he examine priorities first and foremost, to discuss things in detail later, if necessary. And he was able to cope. An interesting phenomenon is that people do not need me to solve the problem, they just need to be listened to and for me to say, "Come on, good job, keep going." My task is to kick-start, to be a catalyst.

I warn everyone at the outset that I will not especially teach them anything that they could not find elsewhere, if they so wish.

YOU SAID THAT IT IS INTERESTING TO TRACK PERFORMANCE DURING THE PROGRAMME. DO PEOPLE CHANGE RADICALLY?

Elizabeth Sadova: Very much so, even their manner of conduct. Each also comes into the programme with his or her own experience. And at first it is difficult to make them listen, because they believe that they are always right, that they know everything. And then they begin to delve into the programme thoughtfully. Sometimes they bring some work situations, which we parse together, and more and often we hear, "Here we were wrong, and this would be better this way." They really think differently now about both the situation and themselves. They came to me with a question as if they were going to school – "What you can tell us here?" – and now we are colleagues.

THE PROGRAMME SEEMS TO BE COMPREHENSIVE.

Elizabeth Sadova: Very comprehensive! In the last group I had something like a pass-fail exam, but this time I had to give that up – I did not want to spend any time on it. Better to spend the time on the process itself. Still, I leave much to the participants to develop themselves, but, of course, I am ready to help and guide them. I do not regurgitate their textbook, but designate areas of interest: have a look at this and do this. A rapidly changing world dictates the following rules: you are left on your own with the situation, and much depends on the ability to find the necessary information and make the necessary decisions independently.

WHAT ARE THE IMPRESSIONS OF THOSE WHO WENT THROUGH THE PROGRAMME?

Elizabeth Sadova: I now have a group of students who came on the recommendation of a previous cycle. And that is nice. Those who went through the “Compass” programme have said that they view themselves and business differently now. And the programme has a module that helps people to think reflexively about themselves: when you work long hours, this kind of thinking often does not happen. And maybe people are spending their time on the wrong things? A lot of people are engaged in self-evaluation. The entire last module focuses on personal themes: conflict, teamwork and psychological characteristics. It is important that a leader can look at himself or herself as a personality.

IS IT MORE INTERESTING TO IMPLEMENT YOUR OWN PROGRAMME THAN THAT OF OTHERS?

Elizabeth Sadova: I like the programme. When you love something, you impart it to others. Honestly, I contribute what I love to this programme. And I am grateful to SKOLKOVO for this opportunity. 🍏



NATALYA KASPERSKAYA, THE CHAIRMAN OF RUSSIAN ANTIVIRUS SOFTWARE MAKER KASPERSKY LAB



EVGENY PLAKSENKOV, MEMBER OF THE BOARD OF DIRECTORS, MIEL





NATALIA SAMSONOVA

COMMENTS

Ravi Sachdeva
student

The trip organised by the school was very useful, intensive and informative. Brazil is a country of boundless opportunities in terms of business. And I am very pleased that, despite spending only a week there, we were able to immerse ourselves into the environment and learn about both the country's cultural characteristics and the subtleties of doing business there. I was particularly impressed by the film studio TV Globo and, of course, the "secrets" that Unilever executives shared with us.

An exotic country, a country of football, coffee, soap operas and wild monkeys – such is the common perception of Brazil. It is often called the "tropical Russia". Today, we tell you what kind of Brazil the second intake of Executive MBA students saw.



OPTICAL RUSSIA»»

THROUGH THE EYES OF EXECUTIVE MBA STUDENTS

The group spent only a week in Brazil, although it was dynamic and eventful – several cities, dozens of business meetings, relevant case studies and useful excursions. The selected starting point was the city of Belo Horizonte, where the renowned Fundacao Dom Cabral Business School is located.

“Our task was to present real-world business and do this with a clear link to the cultural characteristics of the local market, introducing students to the colour and attributes of the local mentality and cultural environment,” said Andrei Sidorin, chief operating officer of the SKOLKOVO Executive MBA programme. “We looked at the social side of Brazil – how various people live, the common people – and the FDC business school was very helpful to us in this endeavour.”

In 2011, an important element was added to the programme of the international unit – practical seminars (workshops). Together with Professor Carlos Aruda, EMBA students explored the topic of competitiveness in the Brazilian market. Virginia Drummond spoke about the intricacies of relationships with Brazilian businesspeople. And, of course, the group attended a course on the country's cultural characteristics.

«STRATEGY IS THE ABILITY TO ASK QUESTIONS. MY MAIN ADVICE TO SKOLKOVO STUDENTS IS: ALWAYS ASK! AND DO NOT BE AFRAID TO DO SO ON ANY OCCASION»

Nevertheless, as before, the focus of the trip was visiting companies – large and small, local and international, corporations from a variety of industries and business sectors – to compare the specifics of doing business. Having carefully studied the profiles of students and the scope of their activities, SKOLKOVO officials selected sectors of interest – IT, finance, FMCG, real estate and others – and then they chose specific companies in the designated sectors.

“Strategy is the ability to ask questions. MY MAIN ADVICE TO SKOLKOVO STUDENTS IS: ALWAYS ASK! And do not be afraid to do so on any occasion,” said Aldemir Drummond, professor of strategy at FDC, and this guidance did not go unheard by the students. Top managers of Brazilian companies, which initially were sceptical about the idea of meeting with Russian students, were ultimately impressed by the sophistication and quality of their questions, as well as the student’s erudition and business acumen.

The students met with representatives of many companies – Unilever, Amcham, ItaúUnibanco, Fiat, Nestle, Bovespa, TV Globo, and Natura, among others.

The EMBA group discovered “the secret of cleanliness” at Unilever. They were told that Brazilians associate the smell of freshness with cleanliness, so the company has managed successfully “play” on this. By reducing disinfectants in detergents and making them more fragrant, Unilever significantly reduced the cost of their products, making them affordable for residents in favelas (slums). After all, there are millions of people in the favelas, and this represents huge potential for business development.

At TV Globo, one of the most famous and largest film studios in the world, the students were told that Brazil is second only to Japan in terms of consumption of



COMMENTS

Mikhail Bratanov
student

Classes at the FDC, communication with professors and students, meetings at the companies – all of this gives a unique perspective of Brazil and the Brazilian mentality. For example, visits to the Bovespa stock exchange and Itaú Unibanco were very useful for me, as they directly correlate with my professional interests. Visiting the Fiat Group offered an impressive view of the scale of production. It was also interesting to compare business schools – in my opinion, with the right approach, SKOLKOVO has so much potential. So, all in all, the trip was a success!



media products. The fact that the residents of the country's vast territory speak the same language has in many ways facilitated the development of television series in the Brazilian market. So, after beginning with the once famous series "Escrava Isaura" (Slave Isaura), the studio is now bringing more progressive themes to life, such as the currently popular sci-fi stories.

Amcham gave the students some hints about how to enter the Brazilian market, intellectual property protection and other vital aspects of business.

On visit to Fiat, the EMBA students saw with their own eyes the largest auto plant in the world, with 3,000 cars rolling off its assembly line every day, or one every 20 seconds. And, of course, every fourth car in Brazil is a Fiat.

The group visited several cities: Belo Horizonte, Sao Paulo, and Rio de Janeiro.

"It was important to show various aspects of Brazil," said Andrei Sidorin. "For example, Sao Paulo is an externally rather featureless sand-coloured city, and its neighbourhoods are very similar to one another. There are offices, shops and restaurants everywhere. But from a business perspective, the city is incredibly vivid and exciting! Rio de Janeiro represents quite a different Brazil. Despite the enormous buildings, the presence of the ocean within walking distance of places has an influence, predetermining people's mood, which is relaxed and somewhat beach-orientated. And Belo Horizonte is the third largest city in Brazil. Sao Paulo is home to some 22 million people, and Rio and Belo have populations of eight and seven million, respectively. Belo Horizonte is a simple town that impressively contrasts with the vivid Rio and businesslike Sao Paulo."

And what are the results? A few weeks are certainly not enough to fully appreciate the country and understand the local market. But a week is enough to understand that Brazil, India and China are primarily countries with large populations with relatively modest incomes, and, importantly, countries with rapidly growing potential. Corporations operating in these markets have learned to skilfully build their business, adjusting to low-income segments, on one hand, and rapidly developing a market for luxury goods, on the other. And their valuable experience can be applied in Russia. We wish our Executive MBA students success in this endeavour. 🍏



MBA STUDENTS' FIRST PROJECTS



“We tried to select the most urgent tasks facing the Russian economy for projects, and these examples show students how the public and social sector works from within,” said Alexei Germanovich, SKOLKOVO’s programme director for the public and social sectors.

The variety of areas in which students are working is impressive: road and urban construction, tourism, legislation, and social reporting. Clients include major public figures – ministry officials, and heads of cities and regions. During the project module, the students were to experience all the delights of working in an international team, learn to identify and build on the strengths of each participant, and



listen to colleagues and clients. Experts invited – who included Sergei Mironov, Alexander Voloshin, Viktor Gerashchenko, Grigory Yavlinsky, Alexei Venediktov, Nikolai Svanidze and Margarita Simonyan – actively supported the students and inspired productive work by sharing valuable personal experience. MBA students approached the project responsibly and in an inspired way, and the clients were satisfied, and some of them are even going to adopt solutions and ideas proposed by the programme participants.

Il'sur Metshin, Mayor of Kazan, shared his impressions: "I want to thank the students for their work – clearly, they came to it with heart and soul, and apart from fundamental knowledge, they demonstrated solutions that were both creative and comprehensible."

The first students to start a project module had to create a development concept for the Manor Gali museum complex in Cherepovets. They were also the first to learn the subtleties of teamwork, and to avoid difficulties, they decided to resort to the classical method of division of labour. The idea turned out to be worthy: a friendly, cohesive team worked on the project.

"We have lined up a very well balanced combination in terms of functionality. From a human standpoint, our team was very harmonious, and there is energy and creativity, which balance the academic character and propensity for analysis," said Maria Fomina.

It is particularly encouraging that students have demonstrated genuine desire, aspiration and business acumen (which are so valued at SKOLKOVO) and, as worthy representatives of modern business, sought new approaches to problems. For example, the team that is developing a brand for the city of Kazan has not become over-cautious in its studies. As an experiment, it decided to give its foreign members autonomy in an unfamiliar city, and they, in turn, were not afraid to undertake such a venture.

"We were brought to various sites and meetings as an official delegation," said Levan Nazarov. "But we wanted to look at Kazan from a different angle, to plunge into the urban reality. So we sent our two foreigners – Eliza and Diraja – to the airport, restricting their budget to RUB1,000. Their goal was to get to the airport and back."

Last year's experience shows that the SKOLKOVO students' work has proved extremely fruitful: Alexei Germanovich said that virtually all of the eight projects are being implemented to varying degrees. It will be interesting to trace the development of this year's projects, which were met with sincere gratitude and appreciated. Undoubtedly, the students' experience is one of the most important indicators of success for SKOLKOVO, and they have been nothing but encouraging.

"This project has been valuable in terms of personal development," said student Elina Mannurova. "We had to cooperate closely with the public authorities, which turned out to be significantly different from what we are used to in working with corporations. They were different in terms of establishing communications and building client relationships, and we were given a wide range of tasks and faced many uncertainties. I am very pleased with the results, which exceeded my expectations."

It seems that the objectives set initially were achieved, and it is time to set new ones and work towards them! 🍎





NUBAR AFEYAN:
HOW TO MAKE
A SUCCESSFUL
START-UP

OUR SUCCESS RATE IS HIGHER THAN USUAL

ABOUT

Noubar Afeyan
a serial entrepreneur

He was born in Lebanon, moved to Canada and then the US, where he graduated in engineering. "As an immigrant, I had to constantly prove that I know how to do something. And in contrast to academic scientists, I was not afraid to make mistakes," Noubar says. Since 1987, he has helped create more than 20 start-ups in biology and technology. He is one of the founders of the Fund Flagship Venture, which has a US\$1 billion portfolio. He teaches entrepreneurship at the MIT Sloan School of Management and is a member of the SKOLKOVO International Advisory Board. Noubar Afeyan spoke on what is needed for successful start-ups at a public lecture at the Moscow School of Management.



WHAT IS NEEDED FOR THERE TO BE MORE ENTREPRENEURS?

Previously, an entrepreneur would spend his whole life creating one company. Then the phenomenon of serial entrepreneurship emerged: in 2000, 29% of MIT graduates created two companies and 9% created three. Do I expect entrepreneurship to develop without a technological base? No. But there may be another model unlike MIT or Stanford. The main thing is to convince the technological universities to think about entrepreneurship.

WHAT ARE THE TYPICAL MISTAKES TO AVOID?

Darwin's theory is relevant for start-ups: those who win in natural selection are successful. We must be prepared to change the idea as many times as needed to accomplish this.

Treat your start-up as a project, not a company. Look at the idea as an investor – is it better than competitors' proposals? That is how you will be able to beat the competition.

Many business plans describe the global consumer, but do not describe the customer – someone who will make a decision about buying their product or service. Citizens can and should need your medicine, but if insurance companies have no confidence in it, they will not pay for it.

Not every great idea has commercialisation potential. It is important to find an area in which an idea makes a profit.

Do you have a team that can work in unpredictable situations? You need honesty, consistency, and reliability; investors can sense this.

Do not take other people's money before you have answered all of their tricky questions.

Never give up, but for yourself it is important to know under what circumstances you would have to close your shop.

WHAT QUALITIES SHOULD A LEADER HAVE?

No one believes that a leader must only be a generator of ideas. Before you allow yourself to hire employees, you need to roll up your sleeves and get to work yourself.

What is important is intelligence, communication skills and the ability to adapt to changing circumstances. Therefore, recruiting managers from large companies that do not have the capacity to adapt is often fatal for a start-up.

You need humility, which is lacking in most managers. If the line between the project leader and superman is erased, you cease to hear what you need to hear. I generally advise leaders not to hide their shortcomings, so it becomes easier for people to communicate with them.

The head of a start-up needs to be optimistic and paranoid. If you are not paranoid enough, you can fail to see threats. If you are not optimistic, you will drown in difficulties.

WHY HAVEN'T YOU GONE INTO CASH, BUT CONTINUE INVESTING IN EVER MORE NEW START-UPS?

Being involved with start-ups is exciting: you meet interesting people who are prepared to take risks. People who do not know what the future will bring and they like it. They can get a patent for reinforced concrete from an idea scrawled on a napkin. I consider entrepreneurship one of the most important professions. I am glad that MIT and SKOLKOVO think so as well. 🍏

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TransMISSION-REGION

Each cycle of students has its own traditions, but the Executive MBA graduates have been particularly active: they travelled aboard the Krusenshtern, crushed grapes to make wine in Tuscany and climbed Mount Kilimanjaro. Whats next?

It is an early Saturday morning in a car park near the Campus. There is unusual excitement in the air. Several new black Mercedes cars stand in a row, and these have obviously attracted the attention of the public there. An inscription on the bonnet reads "TransMISSION-REGION", and the Executive MBA graduates load luggage into the boot. The car rally starts in half an hour, and the team will already be in Vladivostok some two weeks later.

"We have become friends over six years. And we have already been together in many cities – in Kazan, London, Munich – but somehow we still did not make it to Vladivostok, where I am from originally," says graduate Denis Alexandrov. "So, actually, one day several months ago, an idea was born: why not to go to my hometown with the guys as a last hurrah?"

WHY THE BRANDING, AND WHAT DOES THE "MISSION" INVOLVE?

It is simple: the students were thoroughly and responsibly preparing for a tour of Russian cities, and they discussed many issues among themselves and with school officials. Eventually, they set themselves the task of raising public awareness about issues of regional development and infrastructure.

The graduates will travel to 11 cities in two weeks. In four of these, they will participate in 'round tables'. In Yekaterinburg, Novosibirsk, Khabarovsk and Vladivostok, the main topic will be upgrading infrastructure in Russia: social infrastructure, airports, roads and ports, respectively.

The idea found support. Mercedes-Benz is the official car sponsor of the rally, TransCreditBank is the project's exclusive partner and SKOLKOVO is the organiser.

Wives, children, friends and even household pets will accompany the drivers. The graduates pack their suitcases, flags, thermoses. An ML, a GLK, an E-Class; the cars are fully loaded. "Drivers, take your starting positions! It's time to go."

So, the graduates have completed 16 modules and dozens of projects, and they have lots of memories and impressions, but as one of the graduates rightly pointed out, "This is only the beginning!" The convoy starts, zooms through the ceremonial ribbon and hits the road: "Vladivostok, here we come!" 🍏



THE IDEA FOUND SUPPORT.

Mercedes-Benz is the official car sponsor of the rally, **TransCreditBank** is the project's exclusive partner and **SKOLKOVO** is the organiser.

WHAT TO READ?

Here are some great new business books published in 2011. They have been chosen to represent key issues in business today: new ideas about leadership; a portrait of one of the most powerful and innovative companies in global business; the new challenge of managing reputation in the digital age; positive psychology and its implications for business and society; and the first comprehensive coverage of private equity to include emerging markets.

ABOUT



Helen Edwards
Head of the
SKOLKOVO Library
Project

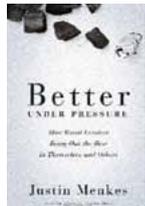
Before coming to SKOLKOVO Helen was Head of Information Services at London Business School where she worked with business students for over 20 years. She was President of the European Business Schools' Librarians' Group from 2005 to 2008 and has written and lectured widely about business school libraries in USA and Europe. In October 2009 she was made an Honorary Fellow of the Chartered Institute of Library and Information Professionals for her services to international business librarianship.

Justin Menkes

Better under pressure: how great leaders bring out the best in themselves and others

Harvard Business Press, 2011

The environment in which companies operate has become more ill defined and challenging, making it more difficult to retain industry leadership. Using research from



interviews with 150 CEOs, this book identifies the characteristics of successful leaders, based on their ability to realise

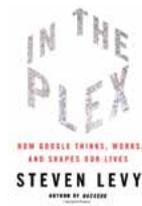
the potential in themselves and in others. There are three catalysts for this: realistic optimism, the ability to recognise situations as they are but to believe in one's efficacy; subservience to purpose; and finding order out of chaos. These attributes enable leaders to provide the context in which others operate, to enable people to experience the triumph of succeeding in a worthy goal. Menkes describes real leadership as recursive, a continuous process which starts with the leader, is echoed in that leader's people and rebounds again to the leader.

Steven Levy

In the plex: how Google thinks, works and shapes our lives

Simon and Schuster, 2011

Everyone knows the Google search engine but Google is also the most powerful company in the advertising world and has interests in mobile phones, computer operating systems and television.



Its mission is to collect and organize all the world's information. Almost as well known is its corporate

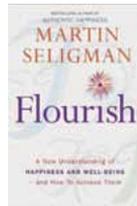
culture: creative disorganization, seriousness and playfulness, food and games and the rule that staff can dedicate 20% of their time to projects of their own choice. The book also discusses Google's controversial entry into China and what it is doing to deal with the threats to its dominance of the internet such as social networking and the prospect of government regulation.

Martin Seligman

Flourish: a new understanding of happiness and well-being - and how to achieve them

Nicholas Brealey, 2011.

Bestseller and a hit with western policy makers, this book defines the key ingredients of well-being as positive eMotion, engagement, meaning, achievement and



relationships. Seligman reports on his research measuring well-being and includes exercises proven by experiment to

enhance it. Although about society as a whole, the book contains key messages for business. A ratio strongly in favour of praise to blame promotes business as well as individual flourishing. And for business schools it is important to look at prospective students' values, what they fundamentally care about. An excess achievement focus based on money contributed, in this book's view, to the financial crash, and a wider values framework needs to be developed.

Daniel Diermeier

Reputation rules: strategies for building your company's most valuable asset

McGraw Hill Professional, 2011.

In today's social media age everything good and bad about a company can be picked up and spread throughout the world, including misinformation and dis-



information. As companies extend beyond products to solutions, brands become promises. Even the perception of a

broken promise has a strongly negative impact on trust. And a company's reputation extends beyond the brand to wider social and environmental issues. This book shows how to integrate reputation management into the culture and structure of a company. It introduces a reputation management toolkit "Trust Radar" and provides practical advice on overcoming direct challenges from influential activists, dealing with corporate scandals and using external events to boost reputation; illustrated by case studies of reputational disasters and how they were addressed.



THE SKOLKOVO SERIES OF PUBLICATIONS



Capitalism Chinese-Style: the State and Business

What mechanisms has China used to expand at such a phenomenal rate latterly? Does the country have capitalism and a free market? What does the Chinese miracle mean? In "Capitalism with Chinese Characteristics: Entrepreneurship and the State", author Professor Yasheng Huang, who teaches political economy and international management at MIT Sloan School of Management, debunks various incorrect perceptions about the Chinese phenomenon by carefully analysing the country's economic policy over the last 30 years. The research is based on a rich body of information: government and bank documents, information from the Chinese office of national statistics, and various inside sources. The book is aimed at business people, economists and political observers.

The Shape of the New India: the Evolution of Changing Ideas

"Imagining India: The Idea of a Renewed Nation" is about India, its problems and its prospects. Nandan Nilekani, co-chairman of the board of directors at Infosys Technologies Ltd conducts an intriguing and impartial analysis of the economy, politics and culture of his country through the prism of the fundamental ideas that defined its face in the past and continue to do so today. He examines the issues preventing India from fully achieving its vast potential. The book is aimed at businesspeople, economists, political observers and everyone interested in the India of today and the future.



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