



# Russia: Strategic Fuel for Hyper-Competition

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*— Fierce Economic Climate Driving “Talent-Rush” For Russia’s IT Elite —*



Since the collapse of the Soviet Union, some of the world's leading public and private organizations have stealthily gained a foothold in Russia, quietly securing its elite scientists, engineers and programmers to fuel their most strategic of R&D, product development, and advanced systems initiatives. Companies including Intel, Lucent, and Sun Microsystems as well as government agencies including the Department of Defense, NASA, and the National Science Foundation have successfully leveraged the Russian model and collectively signaled that the race for top talent is well underway. Over the years, a distinct and diverse community of professional firms maintaining operations in Russia has evolved to provide a specialized array of technology solutions and development services. Leading analysts are beginning to acknowledge Russia's unique capabilities and have projected vigorous annual growth for its IT and software development industries.

The astute first-movers are aware of the scale of existing and emerging talent and the range of specialized expertise that Russia offers. More importantly, they understand the positive influence of Russia's cultural, ideological, and experiential attributes in establishing equitable commercial bonds, ensuring extraordinary technological achievement, and overcoming seemingly insurmountable obstacles in order to achieve stated objectives.

For some time, business and IT executives have successfully enlisted international support to deliver against the increasingly complex information and communication technology demands of the enterprise, while at the same time lowered costs. Maintaining and migrating legacy applications, developing client server and web systems, and enhancing existing applications are among the types of projects most commonly dispatched to a global IT partner. India's mastery of process-driven service delivery, support and enhancement of core business infrastructure installations, and continued delivery within an attractive cost structure, will serve to strengthen its position as a mainstay for these types of services among IT buyers.

But today, the enterprise, including its globally distributed extensions, must reinforce its support of value-creation through innovation, as no other factor plays a greater role in generating sustained competitive advantage. The challenging economic climate has validly placed operational efficiency on top of the corporate priority list, but to effectively compete against an expanding number of aggressive global competitors, the operations, culture and strategic posture of the leaner corporate machine must quickly shift to a vigorous and deliberate offensive mode. This point was firmly articulated recently by Intel CEO Craig Barrett,

in a presentation at that company's Developer Forum, referring to innovation as, "not just key to recover, but key to survival in the new global economy."

A unique set of factors has enabled Russia for several decades to achieve remarkable technological impact. Massive government-sponsored scientific initiatives and a highly developed academic complex founded on a culture centuries rich in heritage during forty plus years of unprecedented cold-war competition, produced arguably the highest concentration of innovative, disciplined, prescient, creative and determined problem solvers in history. Today, Russia retains not only vast pools of underutilized technical resources, but also continues to produce large numbers of highly skilled graduates educated in the proud academic tradition preserved from Soviet times.

Tapping into Russian IT talent today is not dissimilar to the most familiar of international locales. In fact, due to positive trends in Russia's economic growth, international relations (in particular the US), legal and financial reforms, and public and private support for its IT industry, the business climate in Russia has never been more favorable for establishing strong, mutually beneficial business relationships.

Inaction, ignoring industry trends, or basing strategy on incomplete and/or inaccurate information about Russia would be unfortunate and moreover, irresponsible. The unique byproduct of an advanced academic and scientific research system, a proud and passionate cultural heritage, and an unprecedented government sponsored investment in technology, Russia's human capital and knowledge resources are rare across the global technology landscape. They have been profoundly conditioned to excel within hyper-competitive climates and are singularly suited to accelerate the new product and advanced systems development and R&D that will drive the next wave of technological advancement and economic success. The potential of combined US investment and business savvy with Russian technological capabilities and experience is especially compelling.

Enterprises that intend to thrive among global hyper-competition must take guidance from the industry leaders that have already staked their claims, for Russia's IT resources are being rapidly discovered and current supply may not remain sufficient to meet the projected demand. Russia's IT resources are vast, but not limitless, and as the global competitive temperature rises, so too does the race to secure and protect them.